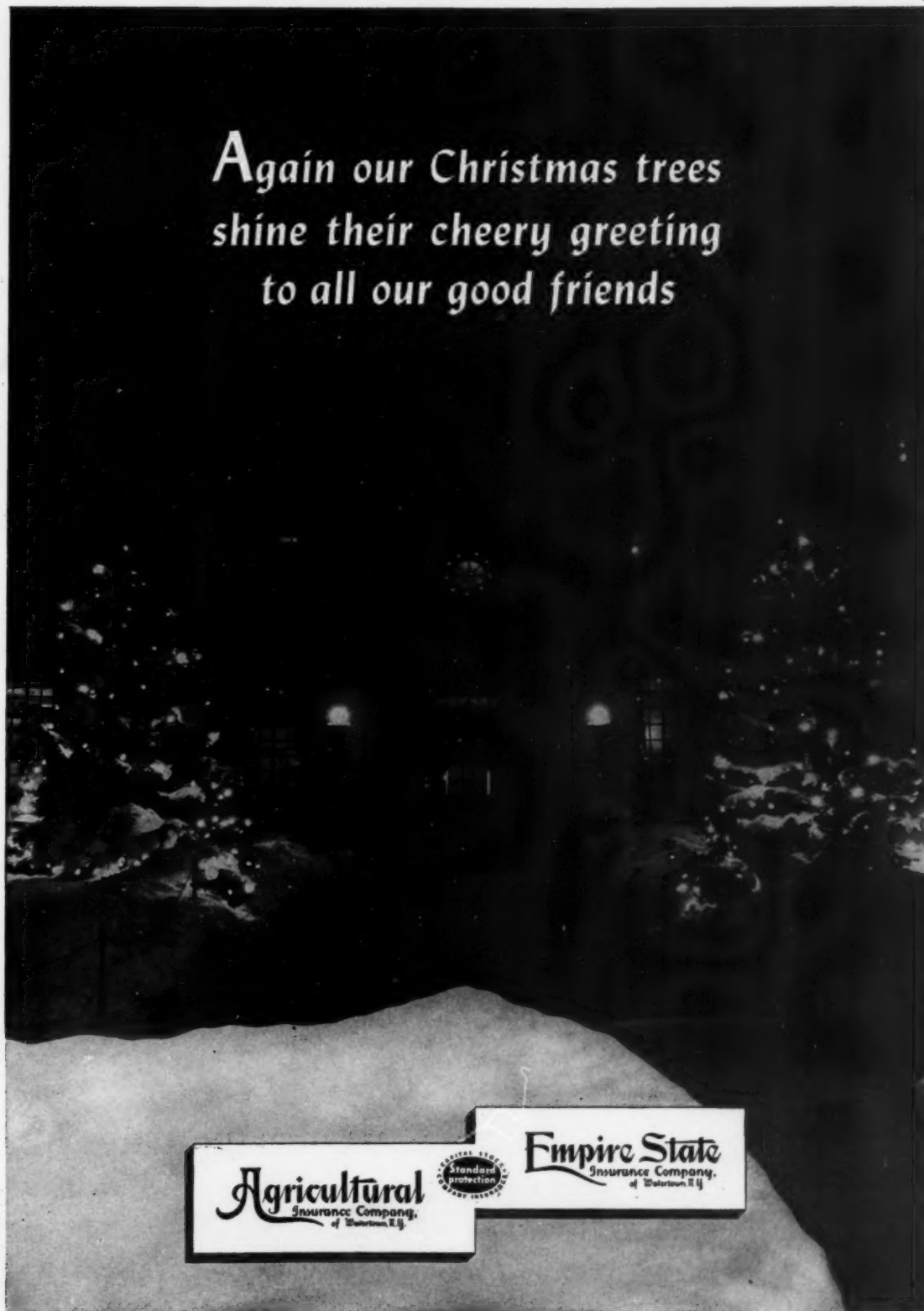


# *The* **NATIONAL UNDERWRITER**

*Again our Christmas trees  
shine their cheery greeting  
to all our good friends*



*Agricultural*  
Insurance Company  
of Watertown, N.Y.



*Empire State*  
Insurance Company  
of Watertown, N.Y.

**THURSDAY, DECEMBER 5, 1946**

**During December—**  
America Fore tells the insurance-buying public, that—for safety's sake—complete insurance coverage is needed!



## **CAN YOU TELL Where the Wheel Will Stop ?**

**C**AN you foretell whether or not fire, explosion, windstorm or a falling airplane will damage or destroy your property?

Do you know whether you will be robbed by burglary, pilferage, forgery or embezzlement?

Will you or your family accidentally injure someone so that you will be confronted by a liability claim?

Will you be injured and perhaps incapacitated for a long time—faced with

doctors' bills, hospital bills and loss of income?

You might guess the right answer to some of these questions, but dare you gamble with so much at stake?

Is it not safer to carry insurance, against all the hazards most likely to threaten your security, in the strongest insurance companies you can find?

The America Fore agent can provide you with complete insurance protection in sound insurance companies. Call him!

**THE CONTINENTAL  
FIDELITY-PHENIX  
NIAGARA  
AMERICAN EAGLE**  
(FIRE INSURANCE COMPANIES)  
**FIDELITY & CASUALTY  
COMPANY OF NEW YORK**  
Bernard M. Culver  
Chairman  
Frank A. Christensen  
President

**America Fore**  
INSURANCE GROUP

**I**F YOU REPRESENT an America Fore company, you can cash in on our advertising appearing in national magazines this month, by using the direct mail, posters and other tie-in material available for your use.



1812  
*Louisiana*  
THE PELICAN STATE

*Louisiana,*  
where, in the 17th century, old-world culture met the rigors of new-world wilderness and did not succumb, but survived to soften and dignify the mechanization of the 20th century, was named after France's Sun King, Louis XIV. This state of contrasts with  $\frac{1}{3}$  of its area covered by timber lands and veined by 4790 miles of navigable water, produces more fur pelts than any other in the Union or any province of Canada. Its alluvial soils yield crops of rice, sugar-cane, sweet potatoes and cotton, and  $\frac{1}{4}$  of its parishes produce oil or natural gas. Thousands of tons of seafood annually feed the world, and sulphur and rock salt are gathered 99% pure. New Orleans, at the mouth of Old Man River which, during high water due to drainage from thirty odd other states, brings down for deposit more than two million tons of sand a day, recalls the Pirates Lafitte, quadroon balls, voo-doo rites, duelling oaks, haunted houses, absinthe bars and patios rich in association with La Fayette, Audubon, Louis Philippe and Adelina Patti.

*Louisiana....land of romance....fertile field for insurance*



## CRUM & FORSTER

MANAGERS



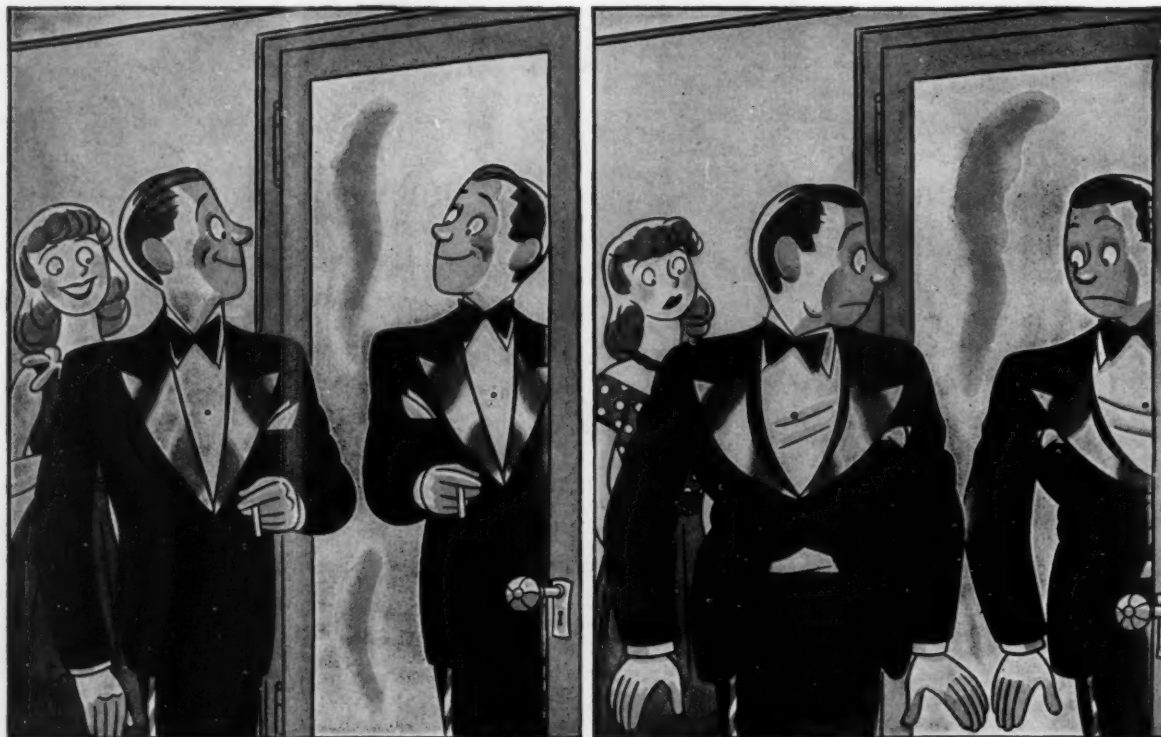
110 WILLIAM STREET • NEW YORK, N. Y.

UNITED STATES FIRE INSURANCE CO.	Organized 1824	RICHMOND INSURANCE CO.	Organized 1836
THE NORTH RIVER INSURANCE CO.	Organized 1822	WESTERN ASSURANCE CO., U. S. Branch	Incorporated 1851
WESTCHESTER FIRE INSURANCE CO.	Organized 1837	BRITISH AMERICA ASSURANCE CO., U. S. Branch	Incorporated 1833
THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh	Organized 1868	SOUTHERN FIRE INSURANCE CO., Durham, N. C.	Incorporated 1923

WESTERN DEPT. FREEPORT, ILL. • PACIFIC DEPT. SAN FRANCISCO • SOUTHERN DEPT. ATLANTA • ALLEGHENY DEPT. PITTSBURGH • CAROLINAS DEPT. DURHAM, N. C.



# What changes a few years can bring!



*Sometimes a gain takes place more rapidly than you realize. It's far better to face facts sooner than too late.*

*Your house is a timely example. Compared with prewar years, it has doubtless gained in value many thousands of dollars. Household effects are worth more. But have you increased your fire insurance to allow for present day values?*

Never before has it been so important to carry insurance to value as right now. Failure to observe this common-sense precaution could cause you a serious financial loss if your property is destroyed by fire.

Your local insurance agent or broker can tell you how to meet this urgent problem. In order to give you prompt, efficient service the Aetna Insurance Group sells only through such representatives. If extra insurance protection appears advisable, it can be arranged while you wait—and at small cost.

It also contributes to your sense of security to know that when your insurance is with a capital stock company such as those comprising the Aetna Insurance Group, it is backed by both a paid-in capital and surplus. You are never liable for assessment.

MEMO

## TO BROKERS AND AGENTS

America's No. 1 fire insurance problem of today is educating property owners to carry insurance to value. It is a message that must be told again and again and again. Aetna national advertising is being devoted primarily to this important subject. This advertisement appears—in color—in the December 30th issue of *Time*, the weekly news magazine. The Aetna Insurance Group. W. Ross McCain, President.

**DON'T GUESS ABOUT INSURANCE—CONSULT YOUR LOCAL AGENT OR BROKER**



# Aetna Insurance Group

HARTFORD, CONNECTICUT

AETNA INSURANCE CO. • THE WORLD FIRE & MARINE INSURANCE CO. • THE CENTURY INDEMNITY CO.  
PIEDMONT FIRE INSURANCE CO. • STANDARD INSURANCE CO. OF N. Y. • STANDARD SURETY & CASUALTY CO. OF N. Y.

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## Sweazea Retires; Howard Chicago Head of N. B. & M.

**Harry Carl Philadelphia  
Manager; Brandt in  
Second Spot**

W. F. Sweazea, manager of the Chicago department of North British & Mercantile, will retire from active duty Dec. 31. Mr. Sweazea has given outstanding service to the companies over a period of more than a quarter of a century. He carries with him the management's utmost good will and recognition.

S. R. Howard, secretary in charge of the Philadelphia department for the past several years, is advanced to the important post which Mr. Sweazea relinquishes.

Harry A. Carl has been promoted to secretary in charge of the Philadelphia



S. R. Howard



W. F. Sweazea

department to succeed Mr. Howard. Mr. Carl will be succeeded by C. L. Brandt as assistant secretary.

Mr. Howard started in 1907 as office-boy in the loss and statistical departments at New York. A year later he was made reinsurance clerk, and three years after that was promoted to the position of assistant counter man in the Brooklyn department.

In 1913 he was made assistant examiner in the central department, and in December of that same year was promoted to examiner in the middle department. From there he went into the field in 1918 as special agent for New Jersey; and in 1931 he was appointed state agent for the entire state. Subsequently he was advanced to assistant secretary and later secretary in charge of the Philadelphia Department.

### To Test Fresh Water

Mr. Howard is a yachtsman. He is the owner of a 36-foot cabin cruiser which he will bring to Chicago and operate on Lake Michigan.

Mr. Sweazea joined North British as state agent for Missouri with headquarters at Kansas City in 1921. Since 1927 he has been manager of the Chicago department, formerly known as the Cook county department. He has had an interesting career in the insurance business, beginning as a local agent at Piedmont, Mo., where he was born. After leaving the local agency business, in 1905 he became special agent for Hartford Fire in 1905. Then he traveled for Springfield F. & M. in Arkansas 1907-08. From there until 1921 he was with Niagara Fire, first at Kansas City, then at Minneapolis and

## Give Hour-by-Hour Card for Commissioners' Meeting

The time table has been perfected for the midwinter session of the National Assn. of Insurance Commissioners that gets under way Sunday afternoon at the Hotel Commodore, New York. The schedule was put together by Insurance Director Parkinson of Illinois, the new N. A. I. C. secretary.

Following is the hour-by-hour schedule of convention sessions except those exclusively of interest to the life insurance people.

### Sunday, Dec. 8

2:30 p.m.—Executive committee, Larson of Florida, chairman, Parlors B and C.  
4:30 p.m.—Rates and rating organizations committee, Harrington of Massachusetts, chairman, Parlors B and C.

### Monday, Dec. 9

9 a.m.—Sub-committee on central office, Forbes of Michigan, chairman, Parlor D.  
9 a.m.—Rates and rating organizations committee and committee on federal legislation, Harrington, chairman, Parlor B.  
9 a.m.—Fire and marine committee, Carroll of Rhode Island, chairman, Parlor C.  
11 a.m.—Plenary session of association, West Ballroom, Dineen, New York, President, presiding.  
—Invocation.  
—Welcome.  
—Response to address of welcome.  
—Roll call and introduction of new commissioners.  
—President's address, Dineen.  
—Report of secretary Parkinson of Illinois.  
2:30 p.m.—Rates and rating organizations committee, West Ballroom.  
3:30 p.m.—Workmen's compensation committee, Hodges of North Carolina, chairman, Parlor E.  
3:30 p.m.—Accident and health committee, Knowlton of New Hampshire, chairman, Parlor C.

4 p.m.—Social security committee, Fischer of Iowa, chairman, Parlor D.  
4 p.m.—Blankis committee, Walter A. Robinson of Ohio, chairman, Parlor A.  
5 p.m.—Sub-committee on qualifications of examiners, C. A. Gough of New Jersey, chairman, Parlor D.

### Tuesday, Dec. 10

9 a.m.—Casualty and surety committee, Bowles of Virginia, chairman, Parlor B.  
9 a.m.—Examinations committee, Johnson of Minnesota, chairman, West Ballroom.  
10 a.m.—Laws and legislation committee (including group hospitalization and medical services), Garrison of California, chairman, Parlor C.  
11:30 a.m.—Plenary session of association, West Ballroom, reports of committees.  
1 p.m.—Luncheon, Grand Ballroom, address.  
2:30 p.m.—Unauthorized insurance committee, Benjamin of South Carolina, chairman, Parlor A.  
3:30 p.m.—Fire prevention committee, McCormack of Tennessee, chairman, Parlor F.  
4 p.m.—Uniform accounting committee, Joe P. Gibbs of Texas, chairman, Parlor A.  
4 p.m.—Taxation committee, Hodder of Nebraska, chairman, Parlor D.

### Wednesday, Dec. 11

9 a.m.—Fire and marine committee, Parlor A.  
9 a.m.—Executive committee, Parlor E.  
10 a.m.—Accident and health committee, East Ballroom.  
10 a.m.—Valuation of securities committee, Dineen, chairman, Parlor D.  
10 a.m.—Multiple coverage committee, Harrington, chairman.  
11 a.m.—Plenary session of association, East Ballroom, reports of committees, unfinished business.  
1 p.m.—Luncheon, Insurance Federation of New York, Grand Ballroom.  
2:30 p.m.—Plenary meeting of association, East Ballroom, reports of committees, unfinished business, adjournment.

## Report Paves Way for Revising 1921 N.A.I.C. Profit Basis

**Dineen Subcommittee Explores Alternative Formulas, Suggests Hearings**

NEW YORK—Indications that the commissioners' 1921 formula for determining what constitutes a reasonable underwriting profit leaves a good deal to be desired on the ground of accuracy are contained in the report of the special subcommittee of the National Assn. of Insurance Commissioners on underwriting profit and loss and the commissioners' 1921 standard profit formula.

Dineen of New York is chairman, other members being Allyn of Connecticut and Harrington of Massachusetts.

One alternative method explored in the report is accrual of prepaid expenses in an asset account. This would not necessarily mean regarding the prepaid expenses as an asset, since they could be entered as a non-admitted asset and charged against surplus. However, the committee takes no stand for any particular plan. It recommends the holding of hearings to explore the subject.

Under the 1921 formula the profit or loss is found by deducting from earned premiums all incurred losses and incurred expenses. No part of the so-called banking profit (or loss) is considered in arriving at the underwriting profit or loss. Five years is the minimum period over which a dependable loss experience can be established, a conflagration is any loss in excess of \$1 million, and the first \$1 million of any loss is chargeable to the state in which it originates, the balance being prorated among all states, including state of origin, in proportion to premium income.

### 5% Profit; 3% Conflagration

The formula provides that a reasonable underwriting profit is 5%, plus 3% for conflagrations. The 3% allowance for conflagrations is subject to revision if and when the records of conflagrations collected by the National Board show that 3% is excessive or inadequate.

Accrual of prepaid expenses in an asset account would eliminate the chief objection to the 1921 formula, which is that charging expenses to the year in which they are incurred (in the sense of being paid) results in a distortion of underwriting profit or loss, making the profit fallaciously low in periods of increasing premium volume and correspondingly too high in periods of falling premium income.

For example, a company gets a \$100,000 premium on the last day of the year. The \$30,000 expense must be charged to that year even though almost all the premium will be earned the ensuing year. The accrual of prepaid expenses in an asset account would spread the expenses over the period on behalf of which they were incurred. In the above example the \$30,000 expense would be almost all allotted to the year after the one in which it was paid.

Since a prepaid expense could hardly be regarded as a good asset, and many states bar it as an admitted asset, such expenses would have to be deducted

(CONTINUED ON PAGE 15)

## CLASSIFICATION REPORT IS PUBLISHED

## N. Y. '45 Fire Premiums Top \$68 Million

U. & O. premiums in New York state in 1945 outside of New York City Exchange territory amounted to \$547,643, the average rate being 43c and the losses were \$159,683, giving a ratio of 27.79.

The comparable figures for New York City were \$910,116, 40c, \$260,133 and 28.58.

These figures are included in the classification report exclusively for fire insurance that has been released by the New York department.

### Experience on Rents Cover

Rents and rental values insurance upstate produced premiums \$134,515, the average rate being 36c, losses \$36,453, loss ratio 27.1. Corresponding figures for the city are: \$288,769, 25c, \$84,282, 29.19.

Extra expense premiums upstate were \$42,748, average rate 26c, losses \$253,

finally at Chicago as farm and hail manager.

Mr. Carl began his insurance career in the Philadelphia department in 1916. After serving in various underwriting capacities, in 1923 he was appointed special agent for suburban Philadelphia. In 1926 he was called into the Philadelphia office as assistant secretary, which position he has held ever since.

Mr. Brandt joined North British 27 years ago and most of these years was associated with the middle department at the New York Office. More recently he has been traveling in New Jersey.

Mr. Carl attended the commerce school at University of Pennsylvania.

loss ratio .59. New York City: \$3,208, 36c, \$10,005, 311.98.

Total premiums written firewise upstate were \$36,315,504, the average rate being 54c, losses \$16,738,492, loss ratio 46.09. New York City: \$32,015,553, 47c, \$17,465,805, 54.55.

The experience for some of the major classes was:

—Non-farm residence: Upstate, \$15,887,139, 39c, \$6,791,067, 42.77; City, \$7,206,327, 31c, \$4,380,155, 60.78.

—Farm property: Upstate, \$1,976,709, 1.08, \$994,072, 50.29.

—Mercantile and office buildings: Upstate, \$3,683,850, 82c, \$1,935,750, 52.55; City, \$5,347,908, 44c, \$3,726,648, 69.68.

—Mercantile stocks, etc.: Upstate, \$3,643,477, 86c, \$1,631,475, 44.78; City, \$6,660,650, 75c, \$2,998,042, 45.01.

—Miscellaneous manufacturing specials NOC: Upstate, \$997,992, 1.17, \$482,117, 48.31; City, \$2,087,571, 1.19, \$1,385,585, 66.37.

—Hotels, boarding houses, Y. M. C. A.: Upstate, \$1,580,745, 1.41, \$596,679, 37.75; City, \$594,549, 34c, \$336,960, 60.46.

—Miscellaneous non-manufacturing specials NOC: Upstate, \$1,020,837, 97c, \$397,192, 38.91; City, \$749,969, 79c, \$591,271, 78.84.

—Sprinklered manufacturing: Upstate, \$1,015,318, 48c, \$903,250, 88.96; City, \$3,169,231, 43c, \$1,366,972, 43.13.

—Sprinklered non-manufacturing: Upstate, \$670,607, 37c, \$279,667, 41.7; City, \$1,336,869, 29c, \$240,950, 18.

## Drop Weekly U. & O. Forms in N. England

**Only Coinsurance Forms  
Now Available; Single  
State Form Liberalized**

BOSTON — In addition to rule changes announced last week, the New England Fire Insurance Rating Assn. has dropped the two weekly business interruption forms. This leaves only the four coinsurance forms in New England—the old two-item 80% contribution forms, in mercantile and manufacturing editions; and the gross earnings form in the same editions. Up to now, New Jersey has been the only state in which business interruption has been restricted to the contribution forms.

The rating structure is not changed. The old manual pages showed rates for the two 80% forms in percentages of the rate for the weekly forms. The new pages show these rates as fractions of the 80% building rate, but the result is the same. The only change affecting rates is a new rule that 80% coinsurance is mandatory if either gross earnings form is written on a blanket basis.

### Liberalize Reporting Form Rule

Another important change is that single state reporting form A may now be written at a single location without any special qualifications. Previously, eligibility was restricted to risks having two or more locations or average values of at least \$50,000 at a single location. The minimum premium of \$100, which may include extended coverage, remains.

The \$100 minimum premium rule for reporting forms on oil risks has also been liberalized to permit the premium for extended coverage to be included in making up the minimum.

## Convention Exams for Pools Would Avoid Duplication

NEW YORK—The hearing on underwriting associations, pools, and syndicates called by the New York department for 10 a. m. Dec. 12 at the department's New York office is pursuant to action taken at the annual meeting of the National Assn. of Insurance Commissioners at Portland last June. There it was suggested in a report of the examinations committee that the principle of convention examinations be extended to underwriting associations, pools and syndicates.

For some time the examination of such organizations has been conducted as a part of the examinations of individual companies. The result has been a great duplication of examinations with examiners in the pool of offices most of the time. It is argued that putting the examinations on a convention basis would save the time of the examiners and the pools' personnel.

The hearing will be to explore the problem insofar as it affects organizations having their principal offices, books of account and records in New York state, in accordance with the N.A.I.C. Portland resolution. This provided that the state of domicile of each such organization should canvass the situation and work out a proposal for examination procedure. There are approximately 30 organizations of the type contemplated by the resolution and about 25 of them are located in New York.

### Earthquake in N. Y. State

An earthquake shook homes and rattled dishes in Massena, N. Y., but no material damage was reported. This recalls the quake in September, 1944, which did extensive damage in various parts of the New York area.

## Chairmen for Mid-year Gathering



E. W. CLARKE

Fred F. Fox, general convention chairman of the mid-year convention of the National Assn. of Insurance Agents in Oklahoma City, April 21-25, 1947, has announced appointment of eight local committee chairmen. They are: Registration, Dave R. McKown; hotel, E. Woody Clarke, Gardner, Clarke & Sul-



M. B. BREEDING

livan; publicity, M. B. Breeding, Gum-Breeding agency; golf, E. R. Ledbetter, Ledbetter Insurance Co.; entertainment, H. T. Moran, Moran agency; reception, E. M. Rickman, Ancel-Earp & Co.; monitor, H. C. Hightower, Cameron-Hightower; transportation, S. D. Clark-

### North America Manager Speaks

## H. C. Mills Advocates for Canada Pure Loss Plus Individual Loading Plan

The rate making scheme which the U. S. Department of Justice has so frequently advocated was recommended for use in Canada by H. C. Mills, Canadian manager for North America, in addressing a meeting of the Ottawa Fire & Casualty Insurance Agents Assn. He proposed the creation of a national organization for the sole purpose of correlating statistical underwriting experience of all Canadian companies. Then each company, working from the pure rating structure so established, would add its individual acquisition and profit cost in fixing final rates. The statistical work should be on a refined classification basis and should be as actuarial in nature as the fire insurance business will permit.

Mr. Mills declared that the present rating system, or lack of it, is to be deplored. He said he does not countenance the practice of taking underwriting profits from dwelling owners, institutional risks and other preferred classes to make good the inadequate rates applied to unprotected industrial accounts.

### Would Use 50% as Standard

It should be made impossible for any company or agency to influence rate making for competitive reasons only. Rates must reflect sound standards of underwriting experience and be computed on at least an anticipated 50% loss ratio.

Mr. Mills condemned the current acquisition cost as being abnormally high. Many companies, he said, are levying a charge upon the public of as much as 55 to 60% of the premium dollar and in some companies the charge is higher than that.

Certain elements within the industry, he declared, would like to eliminate risk and substitute private restrictive agreements. By private agreement they would avoid the necessity for pioneering new and broader forms, for rating revisions and for other ventures that spell progress. He declared that the same "reactionary brand of security could be achieved simply by having the

government impose and enforce a non-competitive monopolistic insurance industry."

Mr. Mills declared that the insurance business cannot afford to be complacent. He cited the fact that the provinces of Saskatchewan and Alberta are now selling insurance directly to the public.

More than 50% of the rate making today is on a competitive basis, he declared. The procedure is to get 5 cents knocked off the rate upon expiry because a pet account is subject to severe competition.

Companies and agents have ignored the character of the risk and have reduced rates to save the account for member companies and their agents. This, he declared, is probably one of the most dangerous evils in the field.

## Catholic Weekly Pays Tribute to R. A. Corroon

NEW YORK—The late R. A. Corroon, head of the Corroon & Reynolds group, was highly spoken of in a recent issue of "The Tablet," a Catholic weekly. An article in the column written by the managing editor mentions Mr. Corroon's "praiseworthy interest in religion and calls him "devout, exemplary, and generous." It goes on to say: "The devotion Mr. Corroon had for his wife, children and his brother was a model which is expected of all husbands, fathers and brothers, but is not always realized. Just as eminent success in business would merely open another channel for charitable interests, so prominence gave him an inspiration to serve his own in the very best way."

"The departed layman got much happiness out of life. He entered into the joy of all occasions, be they social, recreational or cultural. He was at home with everybody and took delight in making others happy."

## Lippincott Retires After 38 Years with Western Adjustment

R. R. Lippincott, assistant general manager and assistant secretary-treasurer of Western Adjustment, is retiring Jan. 1. He has been with Western 38 years and has been engaged in business 50 years, having started at the age of 16. Mr. Lippincott's request to retire has been formally approved by the directors.



R. R. Lippincott

A reception and luncheon in Mr. Lippincott's honor will be held at Chicago Dec. 17. The group will include the officers and department heads of the Chicago office together with a few special guests with whom Mr. Lippincott has been intimately associated. Mr. Lippincott is in trim condition physically and he is looking forward to a period of travel and other enjoyment.

### Started at St. Louis

Mr. Lippincott's earlier business years were with National Bank of Commerce, St. Louis, and N. K. Fairbank & Co. in that city. He is a native of St. Louis and there he was schooled. In 1906 he became associated with Thrasher Hall, who was then a public adjuster at St. Louis and who later went on to Chicago where he became an outstanding authority and writer on insurance subjects. Mr. Hall was an uncle of Mrs. Lippincott. It so happened that at that time Roy Sellery, general manager of Western Adjustment, was in the St. Louis office of Western, and he became acquainted with Mr. Lippincott at that time, so that their association has thus covered a span of 40 years.

In 1908 Mr. Lippincott joined Western. He served briefly at St. Louis and then was transferred to Cincinnati. In 1917 he was assigned to open the Columbus branch and he served as manager there until 1925 when he was promoted to the position from which he is now retiring. At Western he succeeded Clarke J. Munn, who had been appointed manager of the Cook County Loss Adjustment Bureau.

Mr. Sellery, in referring to the loss that will be felt when Mr. Lippincott departs, remarked that Mr. Lippincott is ready witted and possesses a thorough knowledge of the business. Western has relied daily upon Mr. Lippincott for its contacts with the branch offices and with the insurance companies. He spoke of the fact that Mr. Lippincott has been of great help to those that have gone to him. No one with business to transact with Mr. Lippincott ever left unsatisfied. He has been an influence for peace, harmony and tranquility in the organization, Mr. Sellery emphasized.

### Newell Johnson May Be Renamed in Minnesota

ST. PAUL—It is reported on good authority that Governor-elect Youngdahl intends to reappoint Commissioner Newell R. Johnson if the latter wants to remain as head of the insurance department. His term expires early in 1947.

A. Herbert Nelson, Minnesota manager of Business Men's Assurance, has been offered the post of secretary to the governor-elect, a close friend of many years. It is understood Mr. Nelson is not disposed to accept because the financial sacrifice involved but considerable pressure is being brought to bear on him to accept the post. He has been active in state politics for several years.



## Table Proposal for Chicago Board Revision

### Company and Agency Men to Continue to Seek Understanding

Members of the Chicago Board, at a special meeting Tuesday afternoon voted to table the proposed changes in constitution and by-laws that were advanced by the agency element in the organization to square its activities with the implications of public law 15. The decision was for President John Naghten to appoint committees of five company men and five agency members to confer further in an endeavor to develop a formula that will satisfy both company and agency representatives.

The company members of the board held a gathering Monday to discuss the situation in charge of E. A. Henne, vice-president of America Fore. There was no vote taken at that meeting, but those that spoke indicated that the opinion of counsel that the companies under the new scheme of things would be courting trouble by remaining in the board leaves no alternative. Many of the leading company men feel that the changes proposed in constitution and by-laws do not remove the risk from the company standpoint of successful anti-trust law prosecution. It is, they contend, an effort to save the existing procedure by a change in nomenclature and phraseology.

### Capital Feature of Proposal

The capital feature of the proposed changes is to bar from membership in the board all company men except those in charge of Cook county counters and they would belong in their capacity as agent and not as company representative. The agents are insisting on such an arrangement and the issue has become heated. They feel very strongly that a production branch office must either fish or cut bait so to say, and they argue that the manager of such an office is no less an agent because he is on a company payroll.

The company people, however, counter with the argument that a company man can't be disguised as an agent simply by calling him such. He is still a company employee and the company is involved in any arrangements to which he becomes committed through a voluntary policing organization.

Not all of the company men in Chicago share these misgivings and many of them have not received any instructions from their home offices. Some believe that the risk is so slight of going along with the Chicago Board that it is a chance that should be taken in an endeavor to preserve fire insurance stability in the city. Particularly in view of the recent elections there is a feeling that there may be less of a disposition at Washington to stir up issues.

The meeting was the most largely attended since 1942 when the board gave up its rating activities to the Cook County Inspection Bureau.

## Set New Orleans Loss at \$1,500,000

Estimate of adjusters on the American Sugar Co. refinery loss at New Orleans now stands at slightly less than \$1½ million which is approximately 10% of the insurance line. About \$100,000 of this is represented by the loss of sugar which was on the dock when it burned and collapsed into the water.

## Ry. Freight House Fire Loss \$400,000

Insurance loss from a fire at the freight house of the Big Four railroad at Lafayette, Ind., is expected to run about \$400,000. The building is adjudged a total loss and there was considerable damage to railway equipment and the majority of freight in storage. Also damaged was a work train.

The building was owned by the Nickel Plate road and operated by the Big Four, which also used the facilities. Damage to the building and equipment of the Big Four road is estimated at from \$240,000 to \$300,000 insurance loss, and the Nickel Plate insurance loss will be about \$100,000 to \$150,000.

### Starts in Freight House

The fire started in the freight room proper after the employees had left. There were no heating facilities of any kind in the freight room and the cause of the fire is undetermined. The building was old and of heavy timber construction. It had been remodeled in the past few years, and a new roof was under construction at the time of loss.

There was considerable freight stored in the warehouse because of the Christmas rush and the fact that truckers are short of facilities to move freight rapidly.

All the insurance was with Railroad Insurance Assn. and Western Adjustment is handling the entire loss.

## R. I. Bushnell to Holyoke Mutual

BOSTON—Robert I. Bushnell, formerly with Glen Cove Mutual department of National Retailers Mutual at Glen Cove, L. I., Tuesday was elected second vice-president of Holyoke Mutual Fire of Salem, Mass.

Mr. Bushnell graduated at Northwestern University in 1927. He was connected with Northern Trust Co., Chicago; then was with Johnson & Higgins and from 1930 to 1933 was an independent broker. In 1933 he went with the Kemper organization and in recent years has been assistant secretary of National Retailers in charge of the Glen Cove office. His father is Alfred I. Bushnell of Evanston, Ill., retired treasurer of Millers National.

### A. W. Morgan, Jr. to Pa. Field

Glens Falls has appointed A. W. Morgan, Jr., as special agent for western Pennsylvania and a small part of eastern Ohio. He will assist special agent Paul L. Hite and will have his office in the Grant building in Pittsburgh. Mr. Morgan left St. Lawrence University in 1942 to join the army air force and served with exceptional distinction in the European theater. He was awarded two distinguished flying crosses, 18 air medals, a presidential citation, the Belgian fourragere, the New York State conspicuous service cross and four battle stars. Before his appointment as special agent he was employed as a clerk and underwriter in the home office inland marine department and was later transferred to the fire underwriting department.

### S. W. Spear to Boston Agency

BOSTON—Stanley W. Spear has resigned as assistant secretary of Boston, with which he has been associated for 25 years, to become vice-president of the Boylston Insurance Company of Boston. He will have charge of the fire insurance department.

A graduate of the Boston University's college of business administration, Mr. Spear began his insurance career as a member of the Boston's office staff. He worked his way up to the position of superintendent of agencies and was promoted to assistant secretary in 1943.

## Farm Fire Preventionists Hold Chicago Parley

The annual meeting of the agricultural committee of the National Fire Protection Assn. and the national fire waste council of the U. S. Chamber of Commerce was held at Chicago Tuesday with J. E. Cryan, America Fore assistant farm manager, presiding.

Incomplete statistics for recent farm mutual experience indicate a definite decline in the number of farm fires, Harry P. Cooper, secretary of the National Assn. of Mutual Companies, reported. Even with tremendously increased values and labor costs, total farm mutual loss payments are estimated to be not more than 10% greater at the end of 1945 than they were at the end of 1940. During the same period the estimated amount of insurance in force has remained substantially the same.

Many farm mutuals report that their losses have decreased. The Iowa farm mutual loss record has been reduced 50% since 1930, he declared.

Farm mutual companies have taken definite steps to enlist the cooperation of policyholders and agents in fire prevention during the past two years, Mr. Cooper declared.

Mr. Cooper noted that policyholders of many farm mutuals receive regular bulletins advising them of common farm hazards. Self-inspection blanks are issued to members, and have produced good results. Difficulties in obtaining labor and material have made farmers more fire conscious.

### MUTUALS' EXPERIENCE

Fire prevention efforts are faced with the problems created by increased values, Mr. Cooper pointed out, and many property owners have asked for increases in insurance. Mutual companies feel that such increases, even though necessary at present, must be granted with caution and with an eye toward the future, he emphasized. If a building is in good condition and its continued existence is important to the farming operations, insurance should probably be raised to approach two-thirds or three-fourths of the actual present day value. Experience has shown that the owner will be more careful about his own property if he is carrying some of the risk than if the insurance company is carrying 100% of the value. Further, insurance at that level will be more in line when values drop and will tend to restrain moral hazard, he said. When increases are made, the owner is warned that when values fall his insurance may have to be lowered.

Mr. Cooper mentioned that an increasing number of farm mutuals are loaning or selling fire extinguishers to members. One company has already loaned approximately 60,000 dry powder chemical fire extinguishers and reports excellent results. They make the policyholder more fire conscious.

The national youth safety contest is another loss prevention activity of the National association. During the last two years 12 states have participated. Some states have reported between 25,000 and 30,000 inspections.

### Stock Companies' Activities

Bert R. Walinder, secretary and farm department manager of America Fore, reporting for the stock companies, remarked that removal of gasoline and tire restrictions has made it possible for field men to resume inspection of farm properties. This work has always been one of the main contributions of stock companies, he said.

However, the companies are mindful that inspections alone are not sufficient. Farmers must be taught not to create unnecessary hazards. It has been agreed that the most forceful way to impress this fact is to suspend liability under the policies. Accordingly, two restric-

tive measures have been incorporated in the work and materials clause.

The first has to do with the storage of gasoline and the second with the use of incubators. There was considerable adverse comment from some agents and farmers, at first, Mr. Walinder stated, but as the fairness of the restrictions became evident, the criticism subsided and corrections were made.

### National Safety Council Program

Accidents to farmers cause enough lost time in a year to produce the average annual wheat crop in the United States, and the economic loss from farm accidents is nearly \$1 billion per year, Maynard Coe, director farm division of the National Safety Council, declared. Approximately 16,000 farm people are killed and another 1,500,000 are injured.

In order to reduce the farm accident and fire toll, it is necessary to change some of the basic habits of the farm people, he said. The farm committee of the National Safety Council is operating a plan whereby causes of accidents are attacked by the agencies with the most influence on those causes. These agencies include the U. S. Department of Agriculture, the office of education, state agricultural colleges, and various farm organizations.

Mr. Coe gave some suggestions for rural accident reduction: Urge the securing of information as to what are the greatest hazards in the local community. Help develop an educational program that stresses the elimination or reduction of fire and accident hazards. Arrange for the display of posters effectively and for safety exhibits and demonstrations at fairs or other prominent place. Secure suitable recognition for those in the community with the best safety record.

## Many Meetings in New York Next Week

NEW YORK—A number of meetings and conferences of the first importance to the insurance business will be held here the week of Dec. 8. First of all there is the mid-year meeting of the National Assn. of Insurance Commissioners, which gets under way at the Hotel Commodore Dec. 8 and continues through Dec. 11. On Dec. 10 the insurance committee of the United States Chamber of Commerce will hold a session at the Waldorf-Astoria. The Assn. of Life Insurance Counsel will hold its annual meeting Dec. 10-11 at the Waldorf-Astoria. On Dec. 11 the Institute of Life Insurance will have its annual meeting at the Waldorf. The Life Insurance Assn. of America meets Dec. 12-13 at the Waldorf. Then there is the Insurance Federation of New York luncheon, at which Senator Ferguson will speak, Dec. 11, at the Commodore; the hearing on pools at the New York insurance department, Dec. 12; the Self-Insurance Assn., Dec. 12, and the Insurance Accountants Assn. Dec. 13 at the Hotel New Yorker.

### Phoenix Extra Dividend

Phoenix of Hartford has declared an extra dividend of \$1 a share and the regular dividend of 50 cents a share, payable Jan. 2 to stockholders of record Dec. 13.

### Labor Seeks Disability Fund

The New York State Federation of Labor will ask the 1947 legislature to create a disability fund for workers not covered by workmen's compensation. A bill is being framed by the federation's legislative committee which is similar to one that died in committee in 1946.



## N. A. I. A. Warns Agents of E. W. Sawyer Proposals

The "American Agency Bulletin" in its Jan. 22 edition carried a criticism of the E. W. Sawyer proposals for modifying the all-industry rate bills. This treatise was prepared by W. H. Bennett, counsel, and W. Ray Thomas of Pittsburgh, N. A. I. A. representatives on the all-industry committee.

The article falls somewhat short of being an outright condemnation of the Sawyer proposals, but it sets forth implications of those proposals which it states agents should consider. Under the Sawyer proposal, according to this criticism, the requirement in the all-industry bills for supporting information is struck, thus giving the procedure the status of a rate filing without the support of the information upon which the filing is based.

The Sawyer proposal eliminates the provision that the commissioner shall review filings as soon as reasonably possible to determine whether they conform to the requirements of the act.

### No Waiting Period

Under the Sawyer proposal all rates would become immediately effective when filed. The all-industry bills provide that the commissioner may disapprove filings within the waiting period or any extension thereof. The Sawyer proposal eliminates that provision on the theory that rates shall take effect when filed and not be subject to disapproval except by a special proceeding.

According to this article, the outstanding divergence is Mr. Sawyer's contention that an insurer should be permitted to file a rate and have it become effective without the right of the commissioner to require supporting data on the filing. Under the Sawyer system, the article states, a producer could possibly persuade an insurer to make a filing of 80 cents on a risk where the established rate is \$1 and where the risk is already controlled by a local agent, giving the other producer an opportunity to undermine him on a rate already approved by the commissioner with a rate that would not be subject to review and without any information supporting the lower rate. The article states that insurers would be subject to coercion at times by some producers under circumstances such as this. Every producer must decide how his business could be affected by the application of such a system.

### Special Treatment for Target Risks

The waiting period in the all-industry bills allows the commissioner to stop the practice of filing a rate for a given target risk, securing the business and then filing another rate for other similar non-competitive risks. The Sawyer proposal, according to the article, does not provide this safeguard.

The possibility that agents would be required to make commission adjustments on the basis of a disapproved rate which is retroactive opens alarming possibilities, the authors state.

In rejecting the Sawyer proposal the all-industry subcommittee stated that Mr. Sawyer has no objection to a waiting period provision and he believes that inherent in his proposal is the duty of the commissioner to review filings when made without the necessity of specific reference thereto in the bills. Accordingly the only point of difference, the committee declared, is the absence of filing information.

### Both Provisions Absent

The "Agency Bulletin" article goes on to say that while Mr. Sawyer has expressed a willingness to have a waiting period and a statutory duty on the part of the commissioner to review filings, the fact is that both provisions are absent in his proposal.

The authors declare that anyone sup-

porting the Sawyer proposal must also be prepared to support the right of a company to change any rate without giving the commissioner an opportunity to scrutinize it before it is charged. Also to support the right of an insurer where such a rate is subsequently held to be excessive, to keep the overcharge. Should the legislature require the overcharge to be refunded, then the agent would be exposed to charge-back against his commission. This problem, the authors state, does not arise under the all-industry bills because the rate there provided is definitely fixed before it is charged.

## Broker Asks Jail for Men Who Didn't Take Policies

Clarence T. Bouterse, Chicago broker with office at 1506 West Van Buren street, has brought an action in Chicago municipal court for the collection of commissions from a trucking company that he alleges authorized him to procure insurance and then declined to accept the contracts. The case has attracted unusual interest because that suit contains a malice count, which means that the defendants could be jailed.

The defendants are Max Freres and Philip Kliman d. b. a. Lead-Way Motor Service. Bouterse, who did handle the Lead-Way insurance during 1944 and 1945, alleges that Feb. 10, 1946 he received a broker of record letter from Lead-Way authorizing him to get "certain" policies for them. He claims that he did arrange for the insurance, the premiums amounting to \$1,482 and the commissions \$269, but that Lead-Way "wilfully and capriciously" refused to accept the contracts. He demands the \$269.

The case came up Tuesday on a motion of Lead-Way's counsel, S. Charles Bubacz, to strike the plaintiff's statement of claims. Also Mr. Bubacz demands that Bouterse set forth the particulars of the various policies and the evidence of the authority to procure insurance that he alleges he received.

## Harrington Argues for Model Bills but Says Less Stringent Rule Might Do

BOSTON—Commissioner Harrington, closing speaker at the hearing given by the Massachusetts legislative interim insurance committee on the all-industry bill announced himself in favor of the model bills, but at the same time declared that he believed something less stringent would meet the requirements of public law 15.

Criticizing the all-industry bills, Mr. Harrington said it was in conflict with Massachusetts statutes which gave the commissioner the right to regulate some mutual dividends and that the all-industry bills might require a loading factor.

The commissioner was opposed to the producers' proposal that rating organizations be permitted to restrict their services. That feature should be left unchanged in the bill, he said.

As for rates he believed they should be filed and he would have judicial review left in the bill. The commissioner also criticized adversely the producers' suggestion that took away from the commissioner the power to impose fines. He advised the producers to go slow on the consideration to add "underwriting" to profits, making it read "underwriting profits" since there are various interpretations of "underwriting" which might complicate the situation.

## Honor Sherwood



At the dinner for Donald B. Sherwood, recently appointed general adjuster of the National Board: Left to right, Frank A. Christensen, president of National Board and of America Fore; Mr. Sherwood, and Richard C. Williams, general adjuster of Hanover, chairman of the committee of loss men who sponsored the dinner.

## Chicagoans Send Joyner to Pittsburgh with Gas Mask

R. S. Joyner, who has been one of the most popular members of the Maryland Casualty organization at Chicago, was given a farewell party by the Merry Marylanders club on the eve of his departure for Pittsburgh to become claims manager there. At Chicago he has been assistant claims manager. His successor at Chicago, Thomas A. Murray, who has been head of the claim department at Jackson, Miss., was on hand.

A. L. Hoffmann, president of Merry Marylanders, presided. G. A. Olson, claims manager, presented Mr. Joyner a pen and pencil set and J. P. Keevers, resident vice-president, presented a gas mask to provide relief in his new atmosphere.

Mr. Joyner was born at Farmville, N. C., and attended Duke University and University of Maryland law school. Until 1930 he was with Edson & Co., New York finance company. When Edson & Co. was bought by Bank of America he went with Maryland Casualty. He has been at Chicago 13 years, first as supervisor of bonding claims and then as assistant manager of the department.

Mr. Murray was a football player at Penn State. He also attended University of Chicago and Dickinson law school. He was a practicing attorney at New York for a time and then for a year was with American Surety. He was connected with Indemnity of North America three years, then for four years was an adjuster for Maryland Casualty at Kansas City and for the past eight years has been manager at Jackson.

Frank Stigger, who has been Pittsburgh claims manager, is returning to his home city of Indianapolis where he will be in the Maryland claim office. His health has been uncertain.

## To Discuss Michigan Assn. Mid-Year Meeting Plans

LANSING, MICH.—Plans for the mid-year meeting of the Michigan Assn. of Insurance Agents are to be discussed at a meeting here Thursday of the executive committee. The mid-year session will be held at the Book-Cadillac hotel, Detroit, Feb. 25-26. Walter B. Cary, Michigan Insurance Agency, Detroit, is head of the association this year.

The executive committee also will decide the association's stand on the "all-industry" rating bills at this week's session. Legislative prospects will be gone over thoroughly. W. Frank McCaffrey, vice-president of Byrnes-McCaffrey, Detroit, has been named chairman of the law and legislation committee, succeeding Clyde B. Smith, Lansing, veteran chairman and former N. A. I. A. president. Mr. Smith will continue on the committee in an ex-official capacity.

Commissioner Forbes and Sen. R. J. Hamilton, who will head the senate insurance committee at the 1947 legislative session, have been invited to be luncheon guests of the executive committee.

## Set Total Loss at Greenville, S. C., at \$1½ Million

The total loss, both insured and uninsured, which was caused by the explosion at the Ideal Laundry & Cleaners at Greenville, S. C., is now estimated at about \$1½ million.

The bailee customer policy claim, it is expected, will amount to about \$300,000.

Ideal Laundry carried \$90,000 fire insurance only with no extended coverage or explosion protection. Its public liability policy, it is understood, is in limits of \$5/10,000.

A truck driver, in parking his truck in the yard in the rear of the laundry for night storage, discovered that a reduction valve located near the top of a 6,000 gallon tank containing propane gas was leaking badly and was producing a gaslike fog. This was spreading over the low places of the ground and seeping in and under buildings.

The management was informed and steps were taken to vacate the building immediately. However, the explosion occurred, the laundry manager was blown across the street and eight persons who were near or in the building were killed.

### Fire Almost Instantaneous

The explosion demolished the buildings and apparently fire was almost instantaneous. The propane gas continued to escape and caused a flame about 100 feet high to burn in the air for some time.

The explosion totally destroyed 25 to 30 nearby dwellings and damage was evident for 10 to 15 blocks in almost every direction.

The explosion broke chimneys, brick walls, caused buildings to disintegrate. Some of the buildings from the outside seemed to be undamaged, but it was discovered that rafters were broken or certain walls pulled apart, or plaster was pulled off. In some of the brick veneer buildings, the bricks were all on the ground but the frame of the building was still standing.

About 300 claims in all were reported.

Superior Gas Corp. of Greenville installed the propane gas tank and equipment under contract. The equipment had been in use nine days and seemed to be working satisfactorily.

## 2d Mo. Attorney Wants His

JEFFERSON CITY—John T. Barker, Kansas City attorney, has asked the Missouri supreme court to force Superintendent Jackson, to take steps to compel the fire insurance companies to pay him the \$137,532 fees that were allowed by the Cole county circuit court in connection with the old 10% rate reduction case and the action to force reimbursement to policyholders.

Barker originally was allowed the fee on the basis that the sum should be paid from \$2,750,643 in impounded premium but the supreme court later held that the entire \$2,750,643 should be paid to the policyholders. Most of the money has since escheated to the state because the policyholders could not be located.

Barker's suit is second such action brought by attorneys. Glenn C. Weatherby of Parkville filed a suit to force Jackson to take steps to force the companies to pay him \$137,532.

Jackson said he would resist the claim of the attorneys.

Park Brown has joined his father in the George F. Brown & Son agency in Chicago. Graduating from the University of Illinois in 1941, Mr. Brown then joined R. B. Jones & Son as a risk inspector. Serving in the infantry, he was wounded in France and discharged last month.

# ★ FIVE DECADES OF SUCCESSFUL GROWTH

The present year, 1946, marks the 50th

Anniversary of the Star Insurance Company

of America—and we are sure that our

"Star" agents share the pride we feel in

the stability and prestige it has achieved

in a half-century of successful operation.

As we enter upon a second half century

of further growth, our sincere thanks are

extended to "Star" agents country-wide—

whose continued support we shall strive

to merit by adherence to high standard of

*service, security and cooperation*

for **50** years



**STAR INSURANCE COMPANY OF AMERICA**

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**"PROFITLESS PROSPERITY"****"Fortune" Surveys Fire Insurance Plight**

"Fortune" magazine in its Dec. 2 edition carries a sympathetic commentary on the fire insurance problem of the day under the caption "Another Profitless Prosperity." It refers to the upsurge in fire insurance premiums as "a nice little boom in . . . premium payments riding in the wake of the real estate boom."

The stock companies, according to this article, expect to collect close to \$800 million in 1946 as compared with \$660 million last year. However, insurers "are talking ominously about losing money."

The companies, it states, are worried most about fires. The fire loss total for the country may reach \$600 million this year—"a national four-alarm conflagration."

The fire loss ratio last year, "Fortune" said, was 53 and it states that the industry regards 45 as the ideal ratio "leaving 59c for commissions, expenses and reserves and a nickel for profits."

As to the obvious solution of increasing rates "Fortune" cites the fact that the five year test still includes low loss ratio years and moreover insurers refrain from "clamoring for rate boosts" because "they are afraid of federal regulation" and because investment earnings have more than offset their slight

underwriting losses.

"Fear of federalization," the article goes on to say "may be one reason for the underwriters' quiescence in the face of high loss ratio, but the main reason is that they haven't lost any money—yet."

"Thanks to their high investment earnings, the leading companies have all been able to pay normal dividends in each of the last three bad years. Last year, for instance, stock fire companies earned close to \$100 million on their investments alone and reported capital gains of over \$250 million. Total net earnings were 3.5%. Since about half of fire insurance company investments are in commercial securities, however, their present investment prospects are not too rosy, and the inveterate pessimism of insurance men may be justified this time—fire insurance may really be having a 'boom in losses.'"

**Lindsey on Miss. Board**

Hussell Lindsey of the Graves, Lindsey & McLaurin agency, Laurel, Miss., has been appointed a member of the board of the Mississippi Assn. of Insurance Agents. He fills the unexpired term of James L. May, Laurel.

**Highlights****IN INSURANCE HISTORY****GREAT WHISKEY FIRE**

The Great Whiskey Fire took place in Dublin June 19th, 1874. Many buildings housing bonded stores of whiskies were destroyed, with a loss around \$80,000. The "Times" said: "The streams of burning whiskey, which to most people were appalling, offered to others a temptation which they could not resist. Although the streets were generally well guarded by the military and police, numbers of people got access through narrow lanes and passages to places where it ran freely along the channels or in pools in the street, and resorted to every possible expedient to obtain draughts. Some collected the liquor in their hats and others in their boots; some lay down across the channels and lapped the streams until they became helpless and insensible and had to be dragged off to hospitals. It would be hard to conceive a more shocking exhibition of degrading vice."

Few warehouse owners today would fail to carry adequate insurance on such valuable contents. Living in 1946 has many advantages, not the least of which are the good values to be had in insurance policies—such as those written by NATIONAL UNION and BIRMINGHAM.

**National Union**  
and Birmingham

FIRE INSURANCE COMPANIES

PITTSBURGH PENNSYLVANIA

**General Revamps Midwest Setup**

John B. Scurry, resident vice-president in charge of the middlewestern territory for General of Seattle, is preparing to move his headquarters back to Chicago, after having been stationed at St. Louis for the past several years. His office will be at the Chicago branch in the Adams-Franklin building. It was decided that he could cover the territory with more facility from Chicago.

At the same time it is announced that General and First National commencing Jan. 1 will operate on a direct agency basis in Minnesota and North and South Dakota. Heretofore these companies have been represented in that field by Northwest Underwriters, Inc., general agency of Chatfield, Minn. That arrangement is being discontinued.

General is well along in its program of decentralization of underwriting and accounting activities in the middlewest. Following the war the Chicago office was opened to take over those functions for the north central area. The St. Louis office is continued for the south central region. There is a similar branch at Cleveland for Ohio and one at Omaha for Iowa, Nebraska, North and South Dakota. Then there are service offices at Detroit, Cincinnati, Indianapolis, Milwaukee, Kansas City and Minneapolis.

Mr. Scurry started with General at the head office in 1924. He later saw service at Los Angeles, then he returned to the state of Washington field and in 1936 was assigned to develop the middlewestern field. At that time the facilities consisted of but one small office at St. Louis.

**Wife, Insured, Burns Place; Husband-Owner S. O. L.**

A husband who held title to a property can't collect under a policy with a sole and unconditional ownership clause and in which his wife is the insured, the Kansas supreme court decided in *Drewicki vs. Fidelity & Guaranty Fire*. The wife was convicted of arson for having caused the property to be burned. She could not have recovered under the policy, the court remarked. Fidelity & Guaranty had paid the mortgagee's loss to Citizens Mutual Building & Loan Assn. of Leavenworth.

Antone Drewicki contended that the insurer, in accepting notice that title to the property shows the name of Antone Drewicki, caused him to be the insured in the policy. The court, however, stated that this endorsement did not have the effect of changing the name of the insured. In the body of the policy as written, Mrs. Antone Drewicki was the named insured and that is repeated in the endorsement relied upon by the husband. The person insured remained as it always had been, Mrs. Antone Drewicki.

Lee Bond, William D. Reilly of Leavenworth were attorneys for Fidelity & Guaranty Fire and Max L. Frederick, Benjamin F. Endres of Leavenworth represented Drewicki.

**Justice Handles WDC Suits**

WASHINGTON—War damage corporation has turned over to the Department of Justice the job of handling two suits brought against WDC. The issues involved are similar, seeking injunction, accounting, return of WDC premiums, etc.

In the case of *Matlaw Corp. vs. WDC*, in federal court at Indianapolis, the department has filed an answer opposing proposals of the plaintiff.

In *Knowles vs. WDC*, in the district court here, the government still has about a month and a half in which to make answer.

WDC people are now busy auditing accounts, settling relatively few claims remaining and taking other steps toward liquidation.

**Eglof's Book on Selling Methods Just Published**

"Take a Tip," a new book of suggestions for the fire and casualty insurance salesman, by John H. Eglof, Hartford, supervisor of agency field service of Travelers, has just been published by THE NATIONAL UNDERWRITER CO.

The book consists of 43 chapters, divided into eight major parts, headed "The Postwar Agent," "General," "Com-



JOHN H. EGLOF

petition," "Prospects," "The Agent," "Service," "Multiple Lines" and "Automobile." The chapters have such catchy titles as "The Nine to Fivers Have It, but the Five to Niners Need It," "A Lot of Bunk Has Been Written on the Subject of Salesmanship" and "Don't Sell Yourself Out of a Job."

**Practical Sales Hints**

Many of the chapters are built around Mr. Eglof's own experiences in working with Travelers agents during the past 26 years, while others are drawn from experiences of and his contacts with producers in the Travelers home office agency school. One chapter is written by L. K. Porritt, editor of "Protection," Travelers house organ, and another by Prof. W. B. Bailey, economist of the company. The others are Mr. Eglof's work. The material originally appeared in "Protection."

"Take a Tip" has 164 pages and is attractively bound in a maroon and black cloth cover. Single copies sell for \$2.50, with discounts for quantity purchases. The book may be ordered from any office of THE NATIONAL UNDERWRITER.

**Atlanta Library Assn. Observes 25th Anniversary**

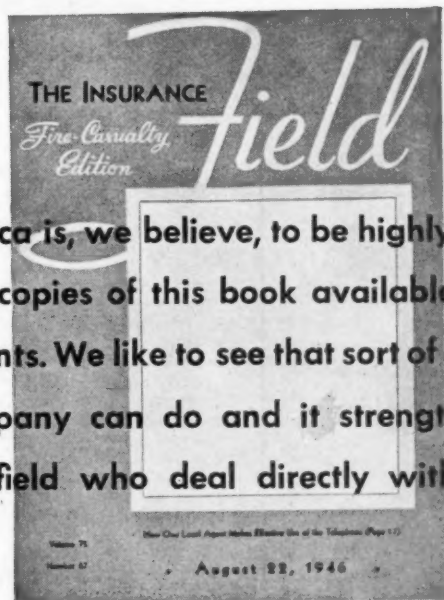
ATLANTA—The Insurance Library Assn. of Atlanta celebrated its silver anniversary Tuesday, with J. Harrison Hines of Hines Bros., southern manager of Crum & Forster, tracing the history of the organization in his address on "Twenty-five Years of Service."

Certificates were awarded to the 1946 graduates, including Mrs. Lucile Cowan, Hartford Fire; Miss Ruby Garrett, Fireman's Fund; George Merriam, Hartford Fire (cum laude). Prizes for highest averages were awarded to Henry Harer, Fire Association; Charles Lundy, Hartford Fire, and Miss Theresa Coppedge, Fireman's Fund.

The newly formed California Assn. of Independent Mutual Agents and the California 1752 Club, the latter composed of company men of non-direct-writing mutuals, will act as host to mutual agents at an educational luncheon meeting Dec. 6 in Los Angeles.



# TIE-IN



"The North America is, we believe, to be highly complimented on its policy of making copies of this book available exclusively through its accredited Agents. We like to see that sort of a tie-in. It strengthens the job the Company can do and it strengthens the position of the men in the field who deal directly with the Policyholders."



INSURANCE COMPANY OF  
**NORTH AMERICA**  
COMPANIES, Philadelphia

INSURANCE COMPANY OF NORTH AMERICA    INDEMNITY INSURANCE COMPANY OF NORTH AMERICA  
THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA    PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY

**NORTH AMERICA . . . OLDEST NAME IN AMERICAN CAPITAL STOCK INSURANCE**

## N. Y. Bans Christmas Trees in Theaters, Stores, Restaurants

NEW YORK—The New York City fire department has prohibited the use of Christmas trees for decoration in department stores, hotels, restaurants, theaters and other places of "public assembly" except churches, synagogues and other places of worship.

### Cocoon Grove Aftermath

The order banning the use of felled evergreens from buildings where crowds gather was issued after a number of tests of fireproofing processes failed to satisfy the fire department's combustibles and fire prevention experts that the fire hazard had been taken care of. Although the fire department, as the result of an ordinance passed in 1943, following the Cocoon Grove night club fire in Boston, has previously had the power to prevent the use of inflammable Christmas trees, this is the first year that such an order has been issued.

Stores, hotels and theaters that can get artificial trees will use them instead of the natural variety. Two of the largest

department stores have been using artificial trees for years. The Waldorf-Astoria hotel will not have its usual display of two large trees inside the Park avenue entrance but will rely instead on decorations. Radio City Music Hall has always used fireproofed artificial trees.

## F. & D. Holds Educational Series on 3-D Policy

Fidelity & Deposit has been conducting a series of educational meetings on the comprehensive dishonesty, destruction and disappearance policy. The meetings, held at branch office headquarters over the country, have been for agents. Several will be conducted in December, some of them repeats. Attendance has been outstanding.

The informal two and three-hour sessions are conducted by Thomas J. Ternan, Jr., of the agency department, Baltimore, an experienced field man who formerly was assistant manager at Syracuse. He is assisted by the local department heads. After the coverage is explained, the meeting becomes a question and answer forum. Most of those asked by agents have concerned selling problems.

## Confesses Mo. Arson Series

JEFFERSON CITY, MO.—Elopus Walker, 46-year-old Negro laborer of Kansas City, is said to have confessed that he was the person who set a series of fires in north central Missouri towns and committed a number of burglaries and robberies during the course of those fires in the past several weeks. The fires caused total damage in excess of \$200,000 in the period Sept. 28-Nov. 29.

Walker, who has a prison record in Ohio and Missouri, has also been charged with setting two fires in Laredo, Mo., where five buildings were destroyed Nov. 29 with a loss estimated at \$75,000. During the fires a home was burglarized and \$10 stolen from a billfold.

Articles found on Walker when he was arrested near Chillicothe definitely tie him with the fires, according to the Missouri Highway Patrol. These articles included knives, a flashlight, gloves, two billfolds and coins that had been taken from homes he looted during the course of fires. The Negro orally admitted setting the fires because: "I like to see 'em burn." When asked why he started the fires, the Negro replied: "Damn meanness is the only thing I know."

Intensive efforts were made by the Missouri highway patrol and the National Board to capture the firebug. Blockades were set up along the roads and the highway patrol was using an airplane.

The confession of the Negro has been signed and also was taken on a recording machine.

## Blast Levels Wholesale Tobacconist's Warehouse

An explosion of undetermined origin leveled the warehouse of a wholesale tobacconist in Chicago, killing one person and injuring 32 others on a passing street car.

Insurance coverage placed through George Herrmann & Co. included \$70,000 extended coverage on contents and \$13,000 on the building. Both are apparently a total loss. There was liability coverage in Continental Casualty. Adjusters on the loss are Frank L. Erion & Co. and Wagner & Glidden.

Most of the records are still intact, but the value of the properties has not been determined. The brick building was filled with finished tobacco products plus the sundries handled through tobacco counters. Extent of the considerable damage done to surrounding frame dwellings has not been determined.

Escaping gas is thought to have been the cause for the blast, but it is hard to trace the source in the rubble. Daily newspaper reports that the explosion may have been incident to labor trouble in which the owner had been involved are given little credence, but the National Board is investigating this possibility.

## R. D. Tirsmen Promoted

Car & General has promoted Ralph D. Tirsmen, accountant, to manager of accounts, succeeding J. W. Lamble, resigned. Mr. Tirsmen joined the company in 1931.

## Holmgren Makes Change

HARTFORD—Directors of Phoenix of Hartford have accepted with regret the resignation of Albin C. Holmgren as comptroller. Mr. Holmgren, who has been with the group 28 years, has announced his intention of returning to Minnesota, his native state, to engage in private business.

Mr. Holmgren joined Minneapolis F. & M. in 1918 as an auditor and 10 years later became its secretary. In 1933 he became cashier of Phoenix at Chicago and in 1935 was transferred to Hartford. In 1936 he was elected comptroller for the group.

## Senate Insurance Survey Proceeds

WASHINGTON — The Republican landslide has not changed the plan of surveying state insurance laws and regulations and proposed legislation which was initiated some months ago by Senator McCarran, Nevada, chairman of the judiciary committee. Though he will pass out of the chairmanship when the new Congress comes in next January, to be succeeded by Senator Wiley, Wisconsin, Hal Lackey, McCarran's assistant, says his report on the survey will be submitted to McCarran upon his return to Washington about Christmas or New Year's.

It will be up to the Republican majority of the committee thereafter, to decide what if anything, to do about insurance legislation, especially with relation to the expiration of the present anti-trust law moratorium at the close of 1947. It is presumed the committee will examine what the Lackey survey is developing, with a view either to extending the moratorium or clamping down on the industry. At this distance, the former seems more likely than the latter to observers here, although the outcome may hinge largely on what the legislatures of 40-odd states decide to do next year about insurance regulation.

It is understood that Mr. Lackey has practically completed his survey of the present situation and developments since enactment of public law 15, though it has not yet been put in final form. It has been based on an extensive report submitted by the all-industry committee and replies from insurance commissioners and industry organizations, including copies of state laws and regulations, model bills evolved by the all-industry committee, its reports and recommendations, and data obtained from various sources contacted by the McCarran-Lackey questionnaire.

## Miss. Agents' Requests

The executive committee of the Mississippi Assn. of Insurance Agents has appealed to the state authorities to consider adopting for the state a standard short rate and pro rate cancellation table for all types of business.

President W. F. Flautt has appointed Theo Hardy chairman of the committee to ask the companies to effect a "pool" for handling butane, long haul, taxi and other hazardous risks. Under the pool arrangement, the issuing agent would receive the full commission.

## Wilmington Claim Men Elect

The Wilmington (Del.) Claims Assn. has elected Edward D. Ashcraft, Ohio Casualty, president; H. H. Montague, Travelers, vice-president, and Mrs. Mildred Horner, Pennsylvania Railroad, secretary. George Orr, director of claims for U. S. Aviation Underwriters, spoke.

## POLICY WRITING SERVICE

Good typists are still on the "hard-to-find" list. Let us help you with your typing and policy writing overloads. Our typing division is organized to give you prompt and accurate service on policy writing, claim and engineering reports, expiration notices and general typing. Call or write us when you have that overload.

## FERGASON & COMPANY

A Service Organization for the Insurance Industry

330 S. Wells St. Chicago, Illinois  
HAR. 0058

# CHANGING TIMES need CHANGING METHODS

Backed by ample resources and with a sweeping knowledge of the ever changing insurance picture . . . Pearl American stays abreast of the changing needs of your risks. We maintain a flexible, continuous program indispensable to sound service in the face of constant change.

Progressive service allied with a warm understanding of agents' individual problems—these have long distinguished Pearl American companies.

Investigate Pearl's friendly cooperation . . . Pearl's ability to grasp your problems and help you keep YOUR customers satisfied.

• PEARL ASSURANCE COMPANY, LTD.  
• EUREKA SECURITY FIRE & MARINE INSURANCE CO.  
• MONARCH FIRE INSURANCE COMPANY

# PEARL AMERICAN

HOME OFFICE: 19 RECTOR STREET, NEW YORK 6

CLEVELAND, 313 BULKLEY BLDG.  
PHILADELPHIA, 525 CHESTNUT ST.  
SAN FRANCISCO, 369 PINE STREET

NEW YORK, 26 CLIFF STREET  
CINCINNATI, 1417 CAREW TOWER  
CHICAGO, 175 W. JACKSON BLVD.



EXCERPT FROM BEST'S 1946 INSURANCE REPORTS

A very notable improvement in the general position of the Firemen's fleet, brought about by sound underwriting practice, efficient management, and a conservative investment policy, is evidenced by a comparative statement of the assets and liabilities as of the close of the years 1935 and 1945.

ASSETS

	Dec. 31, 1945	Dec. 31, 1935
Real Estate . . . . .	\$4,633,561.	\$6,596,844.
Mortgage Loans . . . . .	4,414,956.	11,599,897.
U. S. Government bonds . . . . .	30,518,172.	3,181,284.
F. M. C. bonds . . . . .	450,000.	4,580,000.
Other bonds . . . . .	7,922,392.	11,704,579.
Common stocks . . . . .	15,801,849.	7,656,842.
Preferred stocks . . . . .	16,781,645.	3,985,942.
Cash . . . . .	5,911,186.	2,075,852.
Premium balances . . . . .	7,635,854.	5,245,868.
All others . . . . .	1,734,017.	1,757,004.
Market value adjustment . . . . .	580,445.	357,670.
<b>TOTAL . . . . .</b>	<b>\$96,384,077.</b>	<b>\$58,741,782.</b>

LIABILITIES

	Dec. 31, 1945	Dec. 31, 1935
Loss reserves . . . . .	\$20,694,505.	\$11,359,513.
Unearned premiums . . . . .	44,085,268.	24,667,204.
Perpetual deposits . . . . .	458,449.	552,659.
Miscellaneous . . . . .	7,479,839.	3,341,097.
<b>TOTAL . . . . .</b>	<b>\$72,718,061.</b>	<b>\$39,920,473.</b>
Capital . . . . .	9,397,690.	9,397,690.
Net surplus . . . . .	14,266,518.	9,386,520.
Minority Interest . . . . .	1,808.	37,099.
Policyholders' surplus . . . . .	23,666,016.	18,821,309.
<b>TOTAL . . . . .</b>	<b>\$96,384,077.</b>	<b>\$58,741,782.</b>

HOME OFFICE

10 Park Place  
Newark 1, New Jersey

PACIFIC DEPARTMENT  
220 Bush Street  
San Francisco 6, Calif.

SOUTHWESTERN DEPARTMENT  
912 Commerce Street  
Dallas 2, Texas



CANADIAN DEPARTMENTS  
465 Bay St., Toronto, Ontario  
535 Homer St., Vancouver, B. C.

WESTERN DEPARTMENT  
120 So. LaSalle Street  
Chicago 3, Illinois

FOREIGN DEPARTMENT  
111 John Street  
New York 7, New York

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## 'Insurograph' Boosts Aviation Accident Policy Sales

NEW YORK—In its first week of operation the machine which Associated Aviation Underwriters has installed in the New York City airline terminal for issuing personal accident policies has increased sales by four to five times and appears destined to be a great success. Similar machines will be installed in other terminals and airports as soon

as they are available. The hitch, as with all such machinery, is the shortage of materials.

The airline traveler who wants to insure against aviation accidents simply puts a quarter in a slot. This opens up the "insurograph's" window so that he can fill in his flight's departure, his destination points, the name and address of his beneficiary, and his signature. The machine then grinds out the policy, retaining duplicates for the company. The insured slips the policy in an envelope and can mail it to his beneficiary.

The rate is 25 cents for \$5,000 of insurance; a maximum of \$25,000 can be purchased. It covers indemnity for loss of life, limb or sight, by accidental bodily injury while in transit as a passenger on specified scheduled airlines and on other specified conveyances or while waiting at any airport in transit, or due to exposure in transit.

Though the machine grinds out the policy the sales are made through agents in the usual way.

## Cal. Assistant Commissioner Retires After 40 Years

LOS ANGELES—H. F. Risbrough, assistant insurance commissioner of California, has retired after 40 years in the department. He and Mrs. Risbrough were honored at a dinner given by members of the staff of the Los Angeles office and former employees who had served with him. "Sam" Green read a letter of tribute from Commissioner Garrison and short talks were made by a member of present and former department officials. William Schleip, supervising examiner, in behalf of his former associates, presented Mr. Risbrough a watch and a scroll signed by all employees in both the San Francisco and Los Angeles offices.

Mr. Risbrough entered the department in San Francisco in 1906. In 1908 he was appointed deputy commissioner and in 1922 he was named assistant commissioner, serving continuously in that position ever since. He has had charge of the Los Angeles office since 1923.

## Former Royal, Eagle Ind. Men Join Mass. Bonding

LOS ANGELES—C. H. Thompson, formerly manager of Royal Indemnity in Los Angeles, has been appointed assistant manager of the southern California branch of Massachusetts Bonding in charge of operations.

Ray C. Holt, Jr., formerly manager of Eagle Indemnity here, is appointed field representative. Before going with Eagle Indemnity he served in a production capacity for Maryland Casualty.

Charles M. Randall, manager of the bond department of the southern California office, has been made assistant manager of the branch.

## Boedeker for 18 Months

LOUISVILLE—Martin W. Boedeker, president of the Kentucky Fire Underwriters Assn. will serve 18 months, due to the association having decided on having its annual meeting in June, when the Kentucky Fire Prevention Assn., Speakers Bureau, Blue Goose, etc., have their annual meetings.

The usual annual meeting held the other day was designated as "James E. Chittenden Day," in honor of Mr. Chittenden, retired state agent of North America, who recently retired after 40 years of service in the field.

Considerable discussion revolved around the difficulty of placing needed whisky coverage, due to high prices of whisky having overlined many companies. Mr. Boedeker said it appears as if at least \$50 million more coverage would be needed to bring whisky insurance up to market value. He said the recent insurance department ruling permitting marine departments to write whisky, when other sources of coverage had been exhausted, would help some, but it would only be a drop in the bucket. He admitted that it is a big problem and that he could see no solution for it.

## Flora, Mullins on C.P.C.U. Programs

L. J. Flora, underwriter of Lumbermen's Mutual Casualty, spoke at the December meeting of the Chicago chapter of the Society of Chartered Property & Casualty Underwriters on comprehensive liability for business risks. A discussion period followed.

This meeting was the first of a series which the group is planning this year,

each meeting to feature a member of the group on his specialty. H. W. Mullins, agency superintendent National Fire, will discuss improvements and betterments insurance at the January meeting.

## Sawyer Takes Battle to Brooklyn

NEW YORK—As bills being developed in the various states are made public the extent of the opposition to strict regulation will become increasingly apparent, E. W. Sawyer, New York attorney, told the Brooklyn Brokers Assn. Wednesday in a discussion of the all-industry bills. Also scheduled to talk on the subject were Charles S. Rosensweig of the "Insurance Advocate" and Max Turshen of the New York legislature's insurance committee.

Mr. Sawyer summarized the legislative issues as:

Is there a real reason for exempting price fixing combinations in insurance?

If we wish to permit statistical organizations to fix prices and violate the Sherman act to what extent should such combinations be curbed by state law to protect the public, non-member companies and producers?

When business in general is becoming encouraged by relaxation of government interference, should insurance voluntarily seek unnecessary government interference with its activities?

A national system of state regulation is no stronger than its weakest spot, and if federal regulation comes it will be federal regulation in all states, he said. Improper regulation or no regulation could bring about conditions that would cause Congress to act or cause segments of the business to ask Congress to take over regulation, not only of rates but of hundreds of phases of the business that have not yet been considered.

## N. Y. Federation Lunch

### Will Draw More Than 1,500

NEW YORK—Final details in connection with the annual convention and luncheon of the Insurance Federation of New York, which will be held Dec. 11 at the Hotel Commodore were worked out by Chairman Thomas D. Hughes and his committee this week.

The attendance will exceed 1,500. A word of welcome will be spoken by William H. Lucas, the president. Toastmaster is Gustav R. Michelsen, chairman executive committee.

Greeting to the insurance commissioners will be extended by Dineen of New York.

Introduction of guest speaker will be made by Bernard M. Culver, chairman of America Fore.

The address will be given by U. S. Senator Ferguson of Michigan.

## Nunamaker Cleveland Head

The Cleveland Assn. of A. & H. Underwriters has elected H. H. Nunamaker, Columbian National Life, president, succeeding R. B. Coffman, Pacific Mutual. Lloyd H. Feder, Reliance Life, was reelected vice-president, and B. L. Busfield, Retail Credit, secretary.

Lee M. Rossi, Monarch Life, was the speaker.

## Planet Promotes Two

Planet has promoted Arthur R. Rothen from superintendent of the inland marine department to manager of the underwriting department. Clark Bowen has been named senior underwriter.

## Get 'Em Quick—Butler

NEW YORK—Reservations should be made at once for the luncheon to be given by the New York insurance fraternity for the insurance commissioners Dec. 10 at the Hotel Commodore or it may be too late, Albert N. Butler, vice-president of Corroon & Reynolds, warns. Mr. Butler has charge of reservations and all requests should be sent to him at 92 William street.

## "CRIMES OF CARELESSNESS"

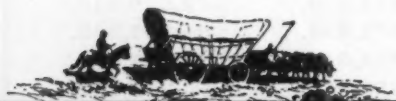
It's a good program  
Listen In!

Get Your Clients to Listen In

MUTUAL NETWORK

SUNDAYS

3:30-4:00 p.m. EST



## THE SPRINGFIELD GROUP

SPRINGFIELD FIRE & MARINE INSURANCE COMPANY	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.

## OF FIRE INSURANCE COMPANIES

**THE CHARTER OAK FIRE INSURANCE COMPANY**

Country-Wide  
Insurance Analysis and  
Claim Service

Hartford, Connecticut

One of The Travelers Companies

# N. Y. Law Seen as Likely Model for A. & H. Regulation

## Regarded Currently by All Interested Groups as Best Solution

NEW YORK—A model bill patterned closely on New York's law for the regulation of accident and health companies has been agreed upon by the Bureau of Personal Accident & Health Underwriters, the Health & Accident Underwriters Conference and Metropolitan Life as the best solution of the problem of regulation of accident and health companies and was due to be offered to the National Assn. of Insurance Commissioners rates and rating organization committee at its meeting here this week, via the all-industry committee.

Neither of the two A. & H. groups nor the Metropolitan Life wants the regulatory proposal advanced by the commissioners' committee recently. The New York pattern, on the other hand, appears to provide ample power to permit a commissioner to deal with the small percentage of bad actors in the business and yet not hamstring the remainder with a strait-jacket type of regulation aimed at the minority.

The New York law gives the superintendent the power to disapprove any policy form if he finds that it is unfair, unjust or inequitable, whether the policy is being issued or contemplated. If a policy being written produces too low a loss ratio he can decide that it is unjust or inequitable and prevent the company from issuing it. If statistics are available the law is in effect a prior disapproval law. If they are not it acts as a subsequent disapproval law. It is a sort of fair trade bill for the accident and health business. New Jersey has the same type of law and in neither state was there any objection to its passage from the companies. A number of other states have laws with similar features.

Thomas P. Welch, general agent in Philadelphia of North American Accident for the last 15 years, died in Philadelphia. He was 75 years old. He retired from business several months ago. He went to Philadelphia in 1911 as a newspaper auditor.

## John J. King



# Hooper-Holmes Advances J. J. King and Five Others

NEW YORK—Effective Jan. 1 John J. King, president of Hooper-Holmes Bureau, will become chairman of the board. His son, Edward King, now vice-president and treasurer, will become president and treasurer, while another son, J. Charles King, now vice-president and secretary, will become executive

Larceny Lure

JUST CRYING FOR COVERAGE



DURING THE PAST few years millions of high-wage, pocket-burning dollars have been spent for such luxury items as valuable jewelry and furs—spent by a sizable group of people who never before could afford such luxuries, but who now offer a virgin field for profitable Jewelry and Fur Floater coverage.

Unaccustomed to owning valuables, these folks are generally unaccustomed to this type of insurance. Their valuables are so much larceny lure. But they won't come to you; you'll have to go after them. Maybe you won't find them at the better addresses; maybe you'll swear that some of them never saw the inside of a jewelry store. But don't let appearances fool you . . . just go after the business. You'll be surprised at the volume you turn up.

One of the easiest ways of selling this type of insurance is to use the Inventory Booklets and folders, available to agents and brokers representing the companies in the Fire Association Group.

Once you get your prospect to start listing his personal property, you're almost certain to sell him something . . . a Personal Property Floater perhaps, Jewelry and Fur coverage, or maybe additional fire insurance.

If you don't have full information on the many reasons why today many new families should carry this type of coverage, write to Fire Association Group, 401 Walnut Street, Philadelphia 6, Pa. Branches in Atlanta, Chicago, Dallas, New York, San Francisco, Toronto.

DOOR-OPENER IDEAS

Help yourself to the ideas in the Insurance Calendar for your advertising.

vice-president and secretary. Adolph Kalin, now manager of the accounting department, will become comptroller. J. Edward Greaves, now assistant manager of the accounting department, will become assistant treasurer and Albert E. Thyselius, supervisor of the sales department, will become assistant vice-president in the sales department.

## New York Aviation Course

The Insurance Society of New York is again offering its course in aviation insurance, 15 sessions of two hours each,

to be held on Monday. Registration is limited to those with knowledge of the basic principles of insurance and an elementary knowledge of fire and casualty insurance. Discussion leaders in charge of instruction are John F. Walker, Newhouse & Sayre; D. Murray Stewart, Aero Insurance Underwriters; Wesley Hammer, Associated Aviation Underwriters; Walter F. Peters, U. S. Aviation Underwriters, and R. Leslie Cizek, Parker & Co.

C. D. R. Mulder, formerly prominent local agent of Muskegon, Mich., died.

# INSURANCE CALENDAR



On December 16, 1773, a band of Boston patriots dumped the King's tea into the harbor, establishing in history the effectiveness of concerted action against the common enemy. This same effectiveness has been applied for many years in the fight against man's enemy, fire, through the concerted action of leading capital stock fire insurance companies and their sponsored National Board of Fire Underwriters, resulting in the greatest safety, lowest property insurance rates, ever.

1946—DECEMBER hath 31 days "May the Star give you light"

## ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

DEC.	Latitude +30°	Latitude +35°
1	6:38	5:00
6	6:41	5:00
11	6:45	5:01
16	6:48	5:03
21	6:51	5:05
26	6:54	5:07
31	6:56	5:10

DEC.	Latitude +40°	Latitude +45°
1	7:02	4:35
6	7:07	4:35
11	7:11	4:35
16	7:15	4:36
21	7:18	4:38
26	7:20	4:40
31	7:22	4:44

DEC.	Latitude +50°	Latitude +55°
1	12:36	11:56
6	1:42	12:56
11	2:49	3:00
16	4:13	5:17
21	6:06	7:41
26	8:21	9:49
31	10:34	11:24

DEC.	Latitude +60°	Latitude +65°
1	1:30	1:33
6	3:20	2:34
11	5:11	3:46
16	7:00	5:13
21	8:39	6:58
26	10:03	8:51
31	11:10	10:46

- 1—Su.— First Quarter, 4:47 P. M., E. S. T.
- 2—M.— 1823, Monroe Doctrine announced
- 3—Tu.— Make your resolution now, to renew your property insurance with your Agent or Broker twice each year, regularly and systematically!
- 4—W.— 1918, Wilson sailed for France
- 5—Th.— 1776, First honorary fraternity Phi Beta Kappa
- 6—Fr.— 1917, Halifax explosion killed 1,500
- 7—Sa.— 1941, Remember Pearl Harbor!
- 8—Su.— Full Moon, 12:52 P. M., E. S. T.
- 9—M.— Are you protected against loss by riots...?
- 10—Tu.— 1898, End of Spanish-American War
- 11—W.— 1919, 1st monument to an insect (in Alabama!)
- 12—Th.— 1800, Washington, D. C. became capital of U. S.
- 13—Fr.— 1862, Battle of Fredericksburg, Va.
- 14—Sa.— 1894, Eugene V. Debs sentenced to prison
- 15—Su.— Last Quarter, 5:57 A. M., E. S. T.
- 16—M.— 1773, Boston Tea Party
- 17—Tu.— Fire Association Group companies pride themselves on settling claims promptly, equitably.
- 18—W.— 1917, Prohibition submitted to States
- 19—Th.— 1928, First autogyro flown
- 20—Fr.— 1916, President Wilson issued peace note
- 21—Sa.— Winter solstice
- 22—Su.— 1923, Chicago-Los Angeles telephone line opened
- 23—M.— New Moon, 8:06 A. M., E. S. T.
- 24—Tu.— 1852, Congressional Library fire, Washington
- 25—W.— Christmas Day
- 26—Th.— 1943, British sank German "Scharnhorst"
- 27—Fr.— 1862, 1st Union League formed, Philadelphia
- 28—Sa.— 1943, British captured Ortona, Italy
- 29—Su.— 1851, 1st American Y. M. C. A. established, Boston
- 30—M.— 1903, Iroquois Theater fire, Chgo. 602 killed
- 31—Tu.— NEW YEAR'S EVE First Quarter, 7:23 A. M., E. S. T.

OBSERVATION for December: If you're insured on the basis of pre-war property values you'll find a big gap between your insurance coverage and actual replacement costs . . . MORAL for December: Let your Agent or Broker bring your insurance up to date, now!

PROPERTY INSURANCE

Fire-Auto-Marine-Aviation

FIRE ASSOCIATION GROUP

Fire Association of Philadelphia

The Reliance Insurance Company

PHILADELPHIA

Lumbermen's Insurance Company

Philadelphia National Insurance Company

PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1817



## Pool Presses Cotton Men to Segregate New Bales

NEW YORK—Some risks are being refused and some coverage is being canceled by cotton underwriters in cases where warehousemen fail to keep newly ginned cotton separate from other stores for a 48-hour quarantine period. This pressure may account for indications that some cotton coverage is being placed on the street with anyone who will take it.

A nationwide fight against cotton fires has enlisted the support of nearly every organization connected with the handling of cotton, including the Department of Agriculture. In an attempt to cut down underwriting losses from cotton warehouse fires, Cotton Fire & Marine Underwriters has issued a letter to warehousemen containing recommendations for fire prevention. The main provision is for the separation of newly ginned bales 48 hours until it can be fairly well determined whether a bale is spark packed from ginning or not.

The underwriters are requiring agreement on this point before insurance is written. If warehousemen fail to keep newly ginned cotton separate for 48 hours their insurance is liable to cancellation. Cotton Fire & Marine has received replies from nearly all warehousemen stating willingness to comply with this provision.

### Warehousemen Under Pressure

Cotton warehousemen are constantly under pressure from farmers to issue receipts on cotton immediately, in order to obtain their cash promptly. The receipt must be issued stating that the cotton is in the warehouse before it can be sold. If cotton is left in the open for a 48 hour period receipts cannot be issued during that time. H. S. Yohe,

who is in charge of administering the U. S. warehouse act for the Department of Agriculture, has agreed to issue licenses to warehousemen for separate buildings or compartments where they can store bales for short periods. This will enable warehousemen to issue receipts upon which farmers can sell their cotton.

Other recommendations from Cotton Fire & Marine are that sprinkler fire fighting systems should be examined twice a month. There should be no cotton within 36 inches of sprinklers. Openings which might permit the entrance of sparks are to be covered with screens. There should be plenty of space for trucking aiseways. Loose cotton and other debris should be collected constantly. One 40 gallon cask of water and three pails for each 2,500 feet of storage space are recommended. No other commodity should be in the same warehouse with cotton without the express approval of the underwriter. Grass and weeds within 50 feet of the building should be cut. A no smoking rule should be posted and strictly enforced. Recommendations for un-sprinklered warehouses follow the same pattern except for provisions relating to the water system.

Other underwriter groups are broadcasting similar requests, with some slight differences such as recommendations for twice as many barrels of water and a night watch service at any warehouse containing over 2,000 bales.

Cotton engineering and inspection service through the work of J. D. Jones, engineer, has done a great deal of research on fire hazard conditions. Together with such organizations as National Cotton Council, National Cotton Compress & Cotton Warehouse

Assn., National Cotton Ginners Assn., National Cotton Seed Crushers Assn., and the extension service, cotton branch Department of Agriculture it has promulgated advice and posters looking to the reduction of fire hazards. Gin posters have been sent to over 9,000 gineries and warehouse posters to over 2,000 cotton compress and warehouse risks throughout the cotton belt.

It is the considered opinion of these groups that more than \$10 million worth of baled cotton will go up in smoke in the next year unless precautions are increased according to their recommendations. During the past year cotton valued at over \$12 million has been involved in fires. The ratio of losses to premiums has been 150%. The cotton industry is faced with the proposition of either reducing fire losses or paying higher rates for insurance. Some risks are already being refused and insured are attempting to place coverage on the street.

### Kaiser Succeeds Borah as Ill. Commission Chairman

William E. Kaiser has been named chairman of the Illinois industrial commission to succeed Alfred J. Borah, who has resigned to become assistant sheriff of Cook county. Mr. Kaiser has been securities supervisor for the commission since 1942. He is a native of Chicago and had practiced law there since graduating from Kent College in 1911. Mr. Borah had been chairman since 1941.

No immediate successor to Mr. Kaiser as securities supervisor has been named and he will continue to direct this work in his new position.

### Competition for Aviation Business Is Lively

Competition for aviation business is as brisk as it ever has been. Business is good. Losses are high. Charter line operations still are expanding, and private planes are reaching the market from manufacturers in some quantity.

Commercial Investment Trust, which has Service Fire and Service Casualty, is making a strong bid for the financed plane business in competition with Aero Insurance Underwriters, which has its own bank-agent plan. C. I. T. is writing private planes at a rate of 10% and commercial aircraft at 12%, with no commission to dealers—offering only the advantage of a one-package, insurance and finance, arrangement. Commissions to dealers are a possibility for the future.

London Lloyds arrangement with the private pilots organization is getting a chunk of that business. Lloyds is routing its writings through Washington and policies are issued out of Montreal. Its rates are low, and domestic insurers don't believe Lloyds will like indefinitely to carry the line at current rates.

### Stratton Cedar Rapids Speaker

The Cedar Rapids Assn. of Accident & Health Underwriters heard S. L. Stratton, accident and health supervisor of Pacific Mutual, Los Angeles, speak on "Education for the Field Man in Accident and Health Selling." About 50 members and guests attended the meeting, which was one of the best turn-outs since the association was formed two years ago.

### Field Men Aid in "Ad" Plans

An advertising committee, which includes members of the field force in order to develop advertising and sales aids gauged to do a better job for the man who meets the public, has been named by Central Manufacturers Mutual, Van Wert, O. The committee, composed of H. A. Kern, agency secretary; John Adam, Jr., resident secretary, Boston, and S. M. Waugaman, manager southeastern department, Atlanta, met at the home office to formulate plans for 1947, which will be built around three direct mail campaigns.

## Ponder Insurable Values, Coinsurance, and Depreciation

### Buyers Hear Vital Problems Discussed at N. Y. Parley

NEW YORK—The insurance section of the American Management Association at a recent session had a session on insurable values, coinsurance, and depreciation.

In response to a question as to valuation of a group of machines of varying ages, excellently maintained, P. E. Reed, independent adjuster, said today's market values for used machinery are so high that they can fairly be used as a basis for settling losses. Since a number of plants had put much of their regular machinery in storage during the war and it is important to get a list of just what a firm has and what is insured, this should be obtained as promptly as possible. Otherwise the only evidence is testimony of employees and evidence left after the fire.

Asked what would be the maximum rate of depreciation on well maintained machinery and on well maintained buildings, Mr. Reed said in general machinery cannot be used or buildings occupied if depreciation greatly exceeds 33 1/3%. W. C. Feimster, Fire Companies Adjustment Bureau, Philadelphia, put the maximum at 50%.

### 50-Year Old Building

Another buyer asked how a 50-year old building totally destroyed would be valued. Mr. Reed said he would determine whether it was of a design that would warrant rebuilding "as was," then examine the wreckage and other evidence to determine the amount of depreciation. This might vary greatly, since conditions may vary greatly.

W. F. Lund, U. S. Rubber, wanted to know how to get rid of coinsurance troubles. He suggested deciding on the value of the property and eliminating the coinsurance clause. J. H. Nickell, Philadelphia Electric, panel chairman, said after determining his insurable values he insures for more than coinsurance requirement because values are going up and that is the only way to play safe.

C. W. Johnson, North America, wondered if some of the confusion regarding values might not be due to books being kept on one basis for inventory and another for tax purposes, and then insurance comes along with still a third basis. The problem today is the greatly increased values of today. He urged all buyers to determine their insurable values and see that they have adequate coverage. He defended the coinsurance clause as encouraging insured to keep track of their values and provide the right amount of insurance. Otherwise this might be neglected. He advised putting on enough insurance, saying that before long the present great uncertainty as to replacement costs would clear up.

### Period of Confusion

Mr. Reed said in all his 40 years of adjusting losses he had never been in such a period of confusion as today and that the first step should be to "find out what you have, how much it is worth and what you want to insure it for."

One man said there should be some way of determining insurable values without going to the expense of an appraisal. R. B. Gallagher, Philco Corp., said his plant was setting up its plant ledgers and then having each depart-

(CONTINUED ON PAGE 21)

*—Financially Sound*

*—Unquestionably Reliable*

*—Vigorously Helpful*

**NORTHWESTERN**

*Fire & Marine Insurance Co.*

**TWIN CITY**

*Fire Insurance Co.*

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152ND ANNIVERSARY

1946

**THE INSURANCE COMPANY**  
OF THE  
**STATE OF PENNSYLVANIA**

308 WALNUT STREET, PHILADELPHIA 6, PA.



## Take Fresh Look at Profit Question

(CONTINUED FROM PAGE 3)

from surplus along with other non-admitted assets. This would not be a complex problem, in fact the same course is now followed by some states with respect to reinsurance in non-admitted insurers.

### BASIS OF REPORT

The subcommittee held three meetings at which it considered the problem arising from the lack of agreement between the all-industry conference committee and the N.A.I.C. as to the proper standard for profit in the making of insurance rates. This is the only portion of the all-industry-commissioners' model rating bills on which there was not agreement.

The all-industry conference committee believed that the word "underwriting" should precede the word "profit" in the section dealing with the factors to be taken into account in rate-making. The N.A.I.C. felt otherwise but was recorded as "giving further study to this matter."

### Need for Defining Underwriting Profit

The special subcommittee report points out that if the industry's contention that only underwriting profit should be considered is correct there is need for careful study of the method of determining underwriting profit. Such a study is also required if "profit" alone is to be established as the standard, for "profit" necessarily would include profit from underwriting, the report adds.

The report cites court decisions and expert authorities and concludes that the legal authorities are in conflict and provide little guidance for judging the inherent worth of the earned-incurred formula and that in the 25 years since the 1921 formula was adopted "expert authorities are either unpersuaded as

to its accuracy or state unqualifiedly that it does not produce the true answer. The legal and expert authorities appear to afford far greater support to points of view opposed to the 1921 formula than to those which favor it." Hence the subcommittee deemed it essential to study afresh the basic principles involved.

### Effect of Variation in Volume

To show the importance of a correct method for handling any distortions due to rising and falling premium volume the report lists net fire premiums written from 1920 to 1945 inclusive—which show wide differences. For example, in 1920, 1923 and 1925-29, inclusive, peaks were reached that exceeded the 1945 figure.

The report mentions some phases that should be given attention if profit from all sources—investment as well as underwriting—is to be the standard. It may be argued, the report says, that establishing a rate of profit in relation to capital funds would induce the investment or retention in the business of capital beyond all proper requirement, also that such a standard would remove the incentive to provide underwriting capacity, for a guarantee of a return based on capital funds would remove the incentive to increase premium volume and would lead companies to reduce their exposure to the possibility of underwriting loss.

### Other Side of Argument

The reverse of this argument, according to the report, would be that a return based on premiums leads to over-expansion and that capital is attracted only by the competitive necessity of maintaining an adequate financial position.

The subcommittee states that it has found the entire subject of determination

of underwriting profit, or of profit alone, to be complex and replete with conflicting theories but the report emphasizes that the commissioners' 1921 standard profit formula has not gained full acceptance either in the courts or among the authorities. Full opportunity should be afforded, it says, for further exploration of its basic principles, including the use of earned premiums, incurred losses and incurred expenses, as well as the propriety of its exclusion of "banking" profit. The report particularly suggests that methods of correcting statutory underwriting profit or loss reviewed in the report be examined, including the establishment of an accrual account for prepaid expense.

### Auto Changes in Kansas

Minimum premium for automobile fire, theft and miscellaneous coverages and for comprehensive in Kansas was increased from \$5 and \$6 to \$7 and \$8 effective Dec. 2 when supplement pages to the Kansas automobile manual were effective. The minimum on the former had been \$5 and for comprehensive had been \$6.

At the same time the classification of jeeps and station wagons was changed and these classes are now rated in accordance with their use. Previously they had been classed commercial. If used for pleasure or business purposes, excluding wholesale and retail delivery and excluding use as a public or livery conveyance, they now rate as private passenger automobiles. If used for wholesale or retail delivery, excluding use as a public or livery conveyance they now rate as a commercial automobile and if used for the latter purpose they rate as a public automobile unless the seating capacity is over nine, in which case they rate as a bus.

List prices previously furnished which were based on the OFA prices effective Aug. 12, 1946, for most 1946 model passenger automobiles and for the 1947 model Studebaker passenger automobile

have been frozen at those list prices and are to be used regardless of any price changes which have been made or may be made subsequent to Aug. 12 until further notice. The OFA prices are to be considered as the FOB price in determining the rate symbol which applies. A reprint of the entire symbol and identification section of the manual for 1946-47 automobiles will follow in due course.

### Pettitt Joins Bonito

NEW YORK—John T. Pettitt has joined the staff of Alan H. Bonito & Co. as assistant treasurer and office manager. For the last 14 years he has been assistant treasurer of Dunlaevy, Cleaves & Burnham, New York City insurance office. He majored in accounting, business administration and economics at Columbia University.

### Must Label Containers

Effective Jan. 1, all containers for flammable cleaning fluids in Kansas of five gallons or less capacity must be clearly labeled with the word "flammable" or "combustible," according to a new regulation announced by State Fire Marshal Latchem. "Inflammable Cleaning Fluid" is defined by the department as any fluid sold or delivered for dry cleaning purposes that has a flash point of 150°F. or lower (closed cup).

Beaumont (Tex.) Insurance Women heard City Manager William Taylor discuss the part women should have in civic and governmental affairs. He expressed the opinion that there should be more "thinking" women in the Texas legislature and that women should be drawn for jury service panels.

The Insurance Women of San Antonio amended the constitution and took up the matter of entertaining the 1947 convention. President Clara Mergenthaler appointed Miss Lonnie Woenig, Floyd West & Co., on convention arrangements, and Miss Helen Starcke, Perry & Savage, co-chairman.

# REINSURANCE

# Inter-Ocean

## REINSURANCE COMPANY

### CEDAR RAPIDS, IOWA

90 JOHN STREET  
NEW YORK

## AS SEEN FROM CHICAGO

### LIFE MEMBER COMMITTEES

The Life Members Society of the Fire Underwriters Assn. of the Northwest has appointed T. A. Pettigrew, Underwriters Adjusting, as chairman of the entertainment committee. R. L. Nicholson, Michigan F. & M. in Wisconsin, is appointed memorial committee chairman and Clarke J. Munn, Cook County Loss Adjusting Bureau, chairman of the nominating committee.



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OUR  
DAILY  
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**INTELLIGENT  
SERVICE TO  
LOCAL  
AGENTS OUR  
NATION-WIDE  
DESIRE.**

**RHODE ISLAND  
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PROVIDENCE • RHODE ISLAND  
Progressive in Outlook  
Conservative in Management

FIRE • AUTOMOBILE • INLAND  
MARINE • OCEAN MARINE

The executive committee consists of C. M. Cartwright, NATIONAL UNDERWRITER; J. R. Cashel, Providence Washington; J. L. Cassell, London Assurance; Joseph J. Hubbell, National Inspection; W. H. Lininger, Evanston; J. H. MacFarlane, America Fore; P. C. Metzger, London & Lancashire; Mr. Munn; A. F. Powrie, Fire Assn.; E. L. Rickards, National Automobile Underwriters Assn.; W. F. Sweazea, North British, and John T. Woodroffe, Northern of England.

### SIGNIFICANT CALLERS

A general office in the Insurance Exchange building, Chicago, had two callers during the week that were unusual, yet maybe significant. One had \$200,000 in premiums in super preferred business. He asked 45% flat commission and 25% contingent. He said the cost of living had increased and, therefore, business was worth more.

The office had two other callers the same day, both of whom were middle aged and had been examiners. They were seeking employment in that line.

### ADJUSTERS' PARTY DEC. 10

Adjusters Assn. of Chicago is holding its annual dinner and Christmas party at Columbia Yacht Club Dec. 10. T. J. Houston of T. J. Houston & Co., is chairman of the committee in charge; A. B. Kilburg, Cook County Loss Adjusting Bureau, is vice-chairman, and W. H. Rothermel is the third member.

### LEVIN FORMS NEW LAW FIRM

Samuel Levin, general insurance counsel in Chicago, has formed a new law firm to be known as Levin, D'Isa & Arpaia. Mr. Levin has been an insurance counsel for nearly 25 years, and is chairman of the insurance law committee of the Chicago Bar Assn., and chairman of the insurance law section of the Illinois State Bar Assn.

Mr. D'Isa was formerly trial attorney at Chicago for Liberty Mutual for 10 years.

Mr. Arpaia was trial attorney at Chicago for Employers Mutual Casualty for six years. He was a lieutenant commander in the navy.

### CLARK NEW ILLINOIS CHAIRMAN

The insurance committee of the Illinois Chamber of Commerce will meet in Chicago next Tuesday. Rollin M. Clark, vice-president of Continental Assurance, will be the new chairman. He acted as sub-chairman last year, Chase M. Smith, counsel for the Kemper companies, being chairman.

### KELLER HAS LIFE DEPARTMENT

Fred B. Keller & Co., metropolitan supervising agent in Chicago, has been appointed general agent for Pan-American Life. The life department will be in charge of Robert C. Keller, who recently rejoined the agency after army service in the southwest Pacific. His twin brother, Richard C., who also was in the army, is assisting in fire and casualty underwriting. Both are graduates of Northwestern University.

### PEARL TRIMS SETUP

Pearl has notified its brokers that effective Nov. 30 it has discontinued writing fire business located in Chicago direct with brokers because of "present conditions and trends." It has now discontinued operation of its counter fire brokerage there and will not accept any business from brokers. However, the notice, from John J. Sevik, Chicago manager, states that Pearl will arrange to care for endorsements and changes on policies in force until expiration. It is understood that the Pearl branch in the Insurance Exchange building will be closed and its Chicago setup will be placed on a service office basis.

Arthur M. O'Connell, manager of the Eureka-Security agency, gave a humorous address at the most recent meeting of the Cincinnati Assn. of Insurance Women.

## COMPANIES

### McCarthy Comptroller of Phoenix-Connecticut Group

Daniel J. McCarthy, general auditor of Phoenix-Connecticut group, has been appointed comptroller of Phoenix and Connecticut Fire.

Mr. McCarthy joined the companies in 1917, became assistant auditor in 1923, chief accountant in 1931 and earlier in 1946 was made general auditor. He is a veteran of the first war.

### Kerr's Auto Duties Expanded in America Fore

Gilbert L. Kerr, who has been elected secretary of Continental, Fidelity-Phoenix, Niagara

and American Eagle, has been a secretary of Fidelity & Casualty since 1941. Mr. Kerr has supervised the countrywide automobile department of F. & C. since 1934. Now he has had his responsibilities enlarged to include the group automobile operations for New England and eastern territories as well as Canada.

Associated with Mr. Kerr in his new capacity are Assistant Secretary Walton H. Griffith of the fire companies and Frank G. Haley, superintendent of the automobile department of F. & C.



Gilbert Kerr

## NEW YORK

### ACCOUNTANTS PARTY DEC. 13

The Insurance Accountants Assn. will hold its annual party at the Hotel New Yorker Dec. 13, consisting of cocktails, dinner and entertainment.

### BOARD OF TRADE RECEPTION

The executive committee of the insurance section of the New York Board of Trade is holding a reception at the Drug & Chemical Club following the annual meeting of the section on Dec. 18 at 5:30 p.m.

### OSTHEIMER MARKS 15TH YEAR

The John T. Ostheimer brokerage office at New York is celebrating its 15th anniversary. Mr. Ostheimer specializes in construction contractors' accounts, writing coverage for workmen's compensation, liability, surety and allied lines.

During the war the agency handled army and navy construction insurance, including a portion of the Oak Ridge atom bomb plant.

### Mich. All-Industry Parley

LANSING, MICH. — Commissioner Forbes has called an "all-industry" meeting for Dec. 17 to discuss the all-industry rating bills put forth nationally and which the commissioner proposes to have introduced in the legislature at the forthcoming session.

The commissioner is understood to have invited two representatives from each of nearly a score of company organizations and groups covering all segments of the business. It is anticipated that at least 35 will be present.

### To Discuss Qualified Companies

"Analysis of What Is a Good, Safe Insurance Company" will be the topic at the next meeting of the Cuyahoga County Board of Underwriters at Cleveland Dec. 10. E. A. Strauss is program chairman. He is arranging for an analyst to cover the subject.

## FIELD

### North British Revamps N. J. Field

North British group has appointed Howard B. Burchell as special agent in New Jersey, succeeding Carl L. Brandt who has been promoted to assistant secretary at Philadelphia. Mr. Burchell will be associated with State Agent Robert R. Bumsted, with headquarters in the Federal Trust building, Newark. Recently Mr. Burchell has been serving as field representative in the southern counties of New Jersey, and prior to his enlistment in the army was a fieldman in New York state.

William P. Cheadle is appointed special agent for southern New Jersey, succeeding Mr. Burchell. Mr. Cheadle was first employed by the group at Philadelphia in 1925, where he held various underwriting positions. In 1945 he was appointed inland marine special agent in New England, and last March was transferred to Philadelphia in the same capacity. He will make his headquarters with the Philadelphia department.

### J. N. Sharpe with North British in Michigan

The North British group has appointed James N. Sharpe as special agent for the special service division of its Michigan department, succeeding Fred A. Krussman, who has been promoted to state agent in charge of Wayne County business. Mr. Sharpe will have his headquarters at 1341 National Bank building, Detroit.

Mr. Sharpe spent several years with local insurance companies engaged in general office work, and in 1941 was employed by the Michigan Inspection Bureau. Mr. Sharpe has been with that bureau for the past five years, with the exception of 18 months in the army.

### Ia. Favors Oct. 6-8 Date

Iowa Blue Goose voted for Oct. 6-8 as the date for the grand nest meeting in Florida. It had been asked by the





Florida pond to vote on whether October or August was preferred.

The Iowa pond will hold its Christmas party Dec. 13, with a dinner, dancing and bridge scheduled.

### AshCota Tribe Meets

DES MOINES—Twelve of the 15 members of the AshCota tribe of Iowa, a social organization of veteran Iowa field men, attended a meeting here. Sterling Freeman of Omaha, retired field man, who is chief of the tribe, presided. J. H. Bunten is scribe.

The Iowa organization is limited to 15

members, who must have served at least 15 years in the Iowa field. New members are accepted only upon the death of one of the regular members.

The tribe is accumulating an extensive insurance library which includes photographs, insurance documents and records.

### Plan Seattle Regional

Donald Lambert, postal inspector for the four Pacific northwest states and Alaska, addressed a dinner meeting of the Seattle Blue Goose. The pond decided to advise H. B. Larson, deputy most loyal grand gander of the Oregon

pond, of the Seattle pond's desire to invite northwest ponds to a regional conference in Seattle.

A social hour preceded the dinner.

### Confer at Minneapolis

Field men of Northwestern F. & M. and Twin City Fire held a three-day conference with company executives at Minneapolis Dec. 3-5.

### Join Minn. Underwriters Assn.

MINNEAPOLIS — Five field men have become members of the Minnesota Underwriters Assn. They are John Christensen and John Driscoll, St. Paul F. & M.; Leonard Hagen, Employers Fire; Gardner Roberts, Royal-Liverpool and T. A. Valine, Connecticut Fire.

### Indiana Pond Christmas Party

The Christmas party of the Indiana Blue Goose will be held Dec. 14 in Indianapolis. As this marks the 40th anniversary of the Indiana pond there will be appropriate special features for that occasion. Following the dinner there will be dancing and bridge. R. E. Jackson, American Automobile, and A. J. Landgraf, Bankers & Shippers, are co-chairmen.

### Ressler Heads Steering Group

Edwin P. Ressler, National Fire, has been elected chairman of the executive committee of the Indiana Fire Underwriters Assn. Lynn D. Swisher, president, has appointed his committees.

### Mueller to Enter Local Agency

Harry W. Mueller, Chicago and Cook county field man for the past three years for General of Seattle, is resigning that position to go into the local agency business at Harvey, Ill., with the Frank R. Ehman agency.

The Ohio Fire Underwriters Assn. will meet in Columbus Dec. 10.

The Christmas party of the Oklahoma Blue Goose will be held Dec. 27. It will be an informal dinner dance.

### Senator Ferguson May Head Insurance Unit

WASHINGTON — If the insurance subcommittee of the Senate judiciary committee is continued during the next Congress, Ferguson of Michigan, is in line for its chairmanship, unless the prospective chairman of the full judiciary committee, Wiley, Wisconsin, follows the present chairman, McCarran's example in appointing himself subcommittee chairman.

Ferguson favored the survey of insurance laws, regulations, proposed legislation, etc., ordered by McCarran some time ago and which has been conducted by Hal Lackey, for the committee. In fact, the insurance subcommittee decided unanimously for the survey.

The survey is supposed to be factual, as will be Lackey's report on it. Insurance industry representatives here doubt the election will result in any change in the program, so far as the survey is concerned. The Republican majority of the committee is expected to consider the results, as a continued Democratic majority would have done.

The suggestion has been heard that, in order to enable the Senate committee and Congress to arrive at conclusions as to whether Public Law 15 is being complied with and whether state insurance laws, regulations and legislation developing in 1947 will be such as to warrant the end or continuance of the anti-trust moratorium, the survey should continue through state legislature sessions next year. This is a question the Senate committee is expected to consider.

### Cleveland Trust Co. Finance Plan

The Cleveland Trust Co. has issued a pamphlet explaining its way of financing automobiles. Full details are given as to what should be done where a car is being financed.

## Architect Fee Must Go to Him

The amount by which an insurance company's loss payment is increased to cover architect's fees is earmarked for the architect, notwithstanding his name is not included in the check as one of the payees. This was the decision of the Louisiana supreme court in Dixie Homestead Assn. vs. Redden, et al.

A building owned by Charles W. Sherwood, on which Dixie Homestead had the mortgage, was damaged by fire. The policy covered the fees of architects necessary to be incurred in repairs or reconstruction, "but not to exceed the usual fees."

Alex L. Redden was employed as architect or building expert and his estimate of \$2,314 was finally accepted by the insurance company as well as by Sherwood. The insurer made its check payable to Sherwood and Dixie Homestead for \$2,545 being the amount of the loss plus 10% for the architect's fee.

### Sherwood Demanded All

Sherwood endorsed the check and turned it over to Dixie Homestead. The latter cashed it and retained the balance of the mortgage debt owed by Sherwood. The association paid to Sherwood the balance due him, and proposed to pay \$231 to Redden.

Sherwood insisted, however, that Dixie Homestead pay him the \$231.

Dixie Homestead thereupon deposited the amount in dispute in the registry of the court and brought an interpleader proceeding. The lower court decreed that Dixie Homestead should bear all costs of the proceedings, ordered Redden's claim dismissed and reserved to him the right to assert whatever claim he might have against Sherwood in appropriate proceedings.

The court of appeal ordered the suit of Dixie Homestead dismissed at the cost of the association, but permitting it to withdraw the amount deposited in the registry of the court. The supreme court held that Homestead had the right to proceed as it did.

Redden, the court stated, was not an ordinary creditor of either Dixie Homestead or Sherwood. He was employed to serve as architect with the understanding between him and Dixie Homestead that his fee would be paid by the insurer according to policy provisions and without deduction by the insurer of any part of the amount that would be ascertained to be due to Sherwood for the actual damage sustained.

Sherwood had no right to profit by the architect's fee clause in the policy. The amount of the fee was included in the insurer's check and was not to be held by either the mortgagee or the owner for any purpose except to pay the architect.

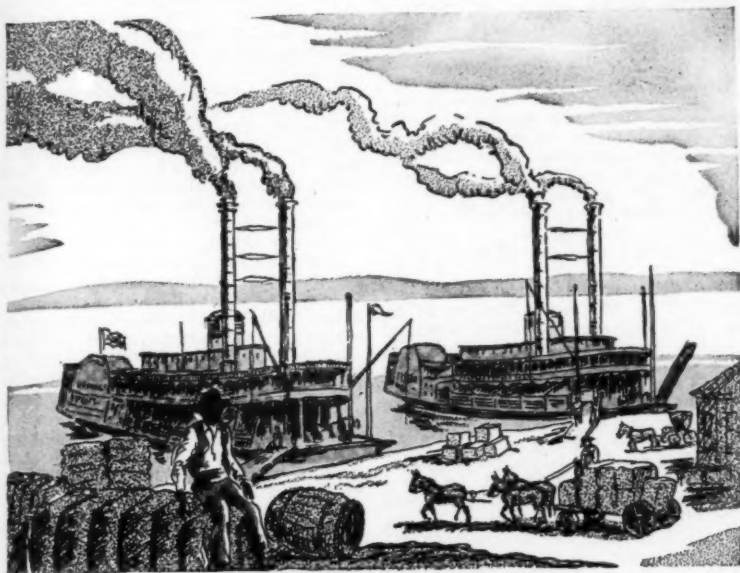
### Booklet on Mercantile Fire Is Published by N.F.P.A.

Careless fires burn 51,000 stores in the United States and cause more than \$53,000,000 damage annually, according to the National Fire Protection Assn. A 15-year study by the association of 6,209 typical fires during the period of January 1930-April 1946 has been incorporated in a 48-page pamphlet which shows that largest losses by occupancies are in multiple occupancy mercantiles, with \$85 million.

### Causes Are Traced

Others showing more than \$10 million losses are: Group fires in mercantiles (more than one building); department stores; conflagrations involving mercantile stores; miscellaneous mercantile stores; furniture stores; and 5 and 10-cent stores.

By causes, careless use or disposal of cigarettes or matches is the greatest single hazard. Defective electrical equipment; defects in building heating systems; kitchen fire hazards, and spontaneous ignition are other principal causes.



### MISSISSIPPI RIVER STEAMBOATS

Four years after Fulton steamed up the Hudson, the first steamboat appeared on the Mississippi. Steamboat commerce contributed immeasurably to the development of the Mississippi Valley. Previously, all traffic had been downstream by barges, with few return trips attempted. Efficient work with levees and dredging — first by private citizens, then by our government — helped to advance the steamboat era, which took about 30 years to reach its zenith. Then, it began a gradual decline due to railway competition. The passing of the picturesque old boats which carried both passengers and freight marked the end of one of America's most colorful periods. The Mississippi is again be-

coming important with the shipment of slow-moving, non-perishable commodities, such as coal and steel, thus combatting the higher rates of the railways.

Whenever the Mississippi River is mentioned, insurance agents are familiar with the name of George S. Kausler, Limited of New Orleans, General Agents for Appleton and Cox, Inc. companies in that territory. This fifty year old outstanding agency writes hull and cargo business on the Mississippi and its tributaries, and inquiries for this class of insurance should be referred to them. Agents will receive prompt attention to any of their marine problems.

# Appleton & Cox

INCORPORATED

OCEAN AND INLAND MARINE UNDERWRITERS

111 John Street, New York

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## NATIONAL INSPECTION COMPANY CHICAGO, ILLINOIS

Service to Stock Fire Insurance companies for 43 years.  
Inspections and Underwriting Reports.

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R. L. Thiele, Ass't Mgr.  
P. A. Pederson, Chief Inspector

## WE WANT A MAN!!

New employed by some Insurance Company or Rating bureau—28 to 35 years of age—preferably but not necessarily with an insurance engineering education—and who wants to get into the production end of the business.

This is a real opportunity to become established with a successful agency. The salary to start will be commensurate with age and experience.

**WARNER AND COMPANY**  
FARGO, NORTH DAKOTA

## WANTED SPECIAL AGENT

Mutual Fire Insurance Company wants experienced fieldmen for several states.

Large and well established mutual insurance company wants experienced fieldmen for the states of North and South Carolina, Oklahoma and Kansas; Maryland, Delaware and Virginia. Knowledge of territory and successful past record essential. Reply, giving full details to J-56. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

## WANTED

By New England company Special Agent for Philadelphia and suburban territory, including southern New Jersey. State age, experience and qualifications. Replies confidential. Address J-33. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED SPECIAL AGENT

By an old established stock company for the State of Illinois. Reply giving full particulars as to age, experience, salary, etc. Address J-39. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED

Middle aged man, preferably with Southern Field and inland Marine experience as underwriter in large Florida General Agency. Give outline of past experience and employers, age, and salary expected. Address J-39. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## FOR SALE

Well established Indiana agency. This agency, a going concern for 30 years, represents old line stock fire and casualty companies. For detailed information address J-44. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Wish to purchase insurance agency in Illinois, Indiana, Michigan or Wisconsin. Submit full details. Address J-51. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED

In Milwaukee — map clerk and underwriter — large stock company service office. Excellent opportunity. Replies confidential. Write, giving full particulars as to age and experience, to J-52. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED

Fidelity, Surety, and Burglary man interested in making a connection with an aggressive large insurance agency in Wisconsin. Give full particulars as to age and experience. Replies confidential. Address J-52. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## WANTED

Fire, Casualty, Surety Agency — Premium income \$25,000-\$35,000. Midwestern city 45,000-65,000 population. Partnership larger agency also considered. Replies held confidential. Address J-60. The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

## CASUALTY

### Announce National A. & H. Association Mid-Year Program

The program for the mid-year meeting of the National Assn. of Accident & Health Underwriters at the Blackstone Hotel, Miami Beach, Fla., Jan. 8-10, has been completed except for the sales congress speakers. It is:

**Tuesday, Jan. 7**

10 a. m.—Executive board meeting, all day, conference room, Blackstone Hotel Room.

4 to 5:30 p. m.—Cocktail party—get acquainted—entertainment.

**Wednesday, Jan. 8**

10 a. m.—General business session, R. B. Smith, National association president, presiding.

Welcome by mayor of Miami Beach. J. Edwin Larson, insurance commissioner of Florida and chairman of executive committee of N.A.I.C.

"The National Association," its functions, purposes and plans for the future. G. H. Knight, first vice-president National association.

Noon—Luncheon, Pan-American Room. W. G. (Bill) Power, representative Chevrolet division, General Motors—a dynamic, inspirational sales personality.

2:30 p. m.—Trip to Hialeah Race Track, swimming in ocean surf or pool. Time for relaxation and rest for those who do not wish to see the ponies run.

All meetings and luncheons each day will be joint sessions of the ladies and men.

Evening free.

**Thursday, Jan. 9**

10 a. m.—Sales Congress, Gilbert H. Knight presiding.

Noon—Luncheon—no speaker, no formalities.

1 p. m.—Dangers of Socialized Medicine—special program.

3:30 p. m.—"Nikko Boat Trip" through Miami and Miami Beach inland waterways.

Dinner as and where you please.

9 p. m.—Garden party—wheeler roast or barbecue on grounds of Blackstone Hotel. Dancing and possibly water show at pool of hotel.

**Friday, Jan. 10**

10 a. m.—National council meeting—R. B. Smith presiding.

Noon—Luncheon, Selden F. Waldo, president United States Junior Chamber of Commerce.

2 p. m.—Deep sea fishing trip for those who wish. Swimming in ocean surf or pool and rest for those not fishing.

### Argue Ill. National Casualty Case Before Supreme Court

Arguments were made the other day before the Illinois supreme court in the appeal of Ernest Palmer, Claude H. Barr, A. M. Fitzgerald and Illinois National Casualty of Springfield from a decision of the Illinois appellate court holding that T. H. Reiter in 1933 was wrongfully dispossessed of his majority stock interest in Illinois National Casualty. Mr. Palmer was at that time insurance superintendent. Mr. Barr was associated with Mr. Reiter in Illinois National Casualty and he was named as conservator of the company, and Mr. Fitzgerald was his counsel. Mr. Barr later acquired the Reiter stock.

Attorney John A. Brown of Chicago argued the case for Mr. Reiter. A. M. Fitzgerald, Springfield attorney, argued in his own behalf. John Black of Winston, Strawn & Shaw, Chicago, argued for Mr. Palmer; L. H. Vogel of Vogel & Bunge, Chicago, argued for Mr. Barr; Paul Heineke of Heineke & Conklin, Chicago, argued for Illinois National Casualty and William Wines, assistant attorney general, made arguments in behalf of all the defendants.

Richard Raymond, Travelers group service supervisor at Milwaukee who has been in the army since 1942, has been discharged and assigned in the same capacity at Cincinnati. Mr. Raymond has been with Travelers 18 years and was a major in the quartermaster corps.

## Cullen Sparked Clever Rejoinder

When Vincent Cullen, president of National Surety, saw a recent story in the "Saturday Evening Post" with an unkind reference to the independent insurance agent or broker, he felt that the story should be answered in the middleman's own words. Therefore, he suggested the series of posters, which has been distributed through many thousands of insurance agents and brokers and a number of insurance publications. It has aroused much interest, and is a clever and amusing rejoinder on behalf of the middleman. The National Surety "middleman" campaign of a few years ago in defense of the independent agent and broker, stressing the "no business direct" theme, also caused much comment.



Vincent Cullen

The three mailings are printed on sheets 17" x 22" and folded to fit an 8½" by 11" envelope. They were mailed in series in plain envelopes. Only the third carried a National Surety signature. They indicate that stock insurance and the stock insurance agent and the stock company can speak up for themselves. Because there was no signature on the first two broadsides, the messages were erroneously attributed to other companies in a few places before the third broadside arrived. National Surety has stressed the "no business direct" theme for some years.

One of the posters was reproduced in THE NATIONAL UNDERWRITER of Nov. 21 and another in the edition of Nov. 28.

## Quinn to Fidelity and Surety Unit of U. S. Guarantee

Davis Quinn has joined United States Guarantee in an underwriting capacity in the fidelity and surety division of the home office. He recently resigned from Lumbermen's Mutual Casualty of Illinois where he had managed the bond department of the New York office since last April. Before that he was with Central Surety, Royal Indemnity and National Surety where he began in the surety business in 1927. Mr. Quinn has written many articles on corporate suretyship and insurance and read a number of papers on these subjects, and has taught fidelity and surety at a leading business school in New York for five years.

## American Surety Special Agents

American Surety has appointed Glen M. Bowling, with the company since 1937, and Russell J. Scott, with the company since 1939, special agents at Atlanta.

## Water Damage Regulated in N. C.

Commissioner Hodges of North Carolina notified insurers that all rates and rules pertaining to commercial water damage cover are under the jurisdiction of the North Carolina Fire Rating Bureau. Filings must be made immediately.

## "INVITATION TO EMBEZZLE"

### N. J. Benefit Plan Hit as Leading to "Sickness Clubs"

The hearing at Trenton on whether to take the \$182 million available to New Jersey from the unemployment insurance fund as a nest egg for a cash sickness benefit plan developed into a debate between spokesmen for labor and industry. Labor organizations favor a state fund, while industry prefers to have the plan on a self-insured or privately insured basis, at the employer's option, so long as it meets the requirements that would be set forth in the statute. A state fund would be the only means of obtaining the money from the unemployment compensation fund.

Though New Jersey's unemployment benefits, with a maximum of \$29 a week for 13 weeks, are among the highest in any state, Morris Isserman of the state C.I.O. said the cash sickness benefits should be 75% of earnings, with a maximum of \$43 a week.

Arthur Patt, labor member of the Rhode Island unemployment compensation commission, denied that the Rhode Island cash sickness benefit plan is on the brink of insolvency. He admitted that the plan is paying out more than it is taking in but said this situation will be corrected when statutory changes are made. As to the increase in claims in summer, when illnesses would presumably be lower than in winter, he said that the benefit year begins April 1 and that workers with claims that have been exhausted before that date file new claims on that date or shortly thereafter.

Mr. Patt contended that with self-insured or privately insured plans some concerns would be driven out of business because of the differences in the rates but that the state would provide protection for all at the same rate, with no extra charge for age, type of employment, or physical handicaps.

T. L. Parsonnet of the state federation of labor said if plans were privately insured there would be a question of which insurer should pay when a worker changed jobs several times during a year. He also said the plan should be made to include all employed labor, not just workers covered by unemployment compensation, which is limited to employees in establishments employing four or more persons.

M. J. Hickey of the New Jersey Manufacturers Assn. attacked the proposed plan as being a "hangover of new dealism" and said it amounts to an "invitation to wastefully embezzle money . . . for a state-administered system of subsidized unemployment due to real or fictional illness by segments of the people who will be forming 'sickness clubs' just as they have already formed the '52-20 clubs' and the '26-22 job-dodgers' clubs."

## Lloyd T. Wheeler's Condition Critical

ATLANTA—Following a cerebral operation the past week Lloyd T. Wheeler, for years secretary-manager of the Southeastern Underwriters Assn., is in a critical condition. Physicians hold out little hope for his recovery.

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# POINTERS FOR LOCAL AGENTS

H. T. LEWIS IS MARYLAND SPEAKER

## U. & O. Most Fertile Line for New Business, New Accounts

A day by day analysis of business interruption insurance as it is being written currently shows that agents are not giving it proper consideration, H. T. Lewis, executive regional manager of Royal, New York, said in his discussion of this line before the Maryland Assn. of Insurance Agents.

This is evident, he said, because of the manner in which it is written and because of the really large number of businesses on which it is not written.

Although business interruption insurance has been available 75 years, it was not until 1930 that the agents and companies paid much attention to its sale. Prior to 1930 it was a sideline and as a form was surrounded by a lot of mystery. More progress has been made in selling the line in the past four or five years than in the preceding decade.

### Essential in Peace Time

The shortages of materials and labor emphasized the importance of business interruption coverage during the war years, he commented. But it is equally essential in peace time to the well managed business. Earnings are the real value in any enterprise, and their loss following a fire or other disaster often exceeds the amount of property damage loss. The LaSalle hotel fire in Chicago is an excellent illustration of this. The insurance on the property, building and contents, was \$2,300,000, and the estimated loss is 25%. The business interruption coverage was \$1,500,000, and the original estimate of loss, \$1,000,000 has since been raised to total.

As the war neared its end, Mr. Lewis recalled, many thought business interruption insurance would go off the books in large amounts, but this did not happen. There has not been a return to even a semblance of the "normal." Material and labor still are in short supply. There is no place for the burned out firm to go. The element of time required to replace buildings, machinery, and stock is just as indefinite now as in the war years.

### Weekly Form About Done

One of the problems in selling business interruption coverage, he said, is to find the form best fitted to the particular needs of an insured. The two-item contribution form has almost entirely replaced the weekly form, although cost made the latter attractive. The weekly form is so seldom used it undoubtedly will be withdrawn entirely in the near future.

The optional two-item form was widely used until 1939, when the mercantile single item gross earnings form was introduced. It has been very popular, one reason being the 50% coinsurance requirement. In the past year a gross earnings form was introduced for use by manufacturers. Its flexibility is the outstanding feature of the form.

### Flexibility Is Feature

No part of the gross earnings form is assigned specifically so that the amount of insurance can be used (1) for ordinary payroll if the shutdown is an average, short one, or (2) for loss of profits in a long shutdown lasting some months. In the first loss the employer usually would want to retain his employees. For the short time of shutdown loss of profits will not be large. In the second loss the employer would usually dis-

pense with most of the employees making up ordinary payroll. In event of a long shutdown lost profits will be large.

It is not wise to leave off the extended coverage endorsement, Mr. Lewis warned. Insured may also need vandalism and malicious mischief. Be sure to inform insured that he can buy for a term or on a budget plan and thus effect substantial savings in premium, he advised.

Manufacturers often are interested in the protection they can obtain in the off premises endorsement, for power failure, for example. Often this feature has meant the sale of business interruption coverage to manufacturers on whom the standard arguments failed to make an impression.

Don't overlook the agreed amount clause in case of sprinklered or superior construction, he suggested.

He said the agent might well check each of his business interruption insured or prospects to see if they have overlooked any one of the following seven items: Extended coverage, vandalism and malicious mischief, purchasing for a term, buying on the budget plan, off premises power endorsement, agreed amount clause, and unearned premium endorsement.

Insured today are conscious of the need of insurance to higher values on property but not on earnings. Seven recent business interruption losses insured for a total of \$1,500,000 amounted to \$126,000, but the coinsurance paid by insured was \$59,000, or almost 50%.

A periodic check is necessary to de-

termine that there is enough insurance. Earnings fluctuate even more widely than property values. If the agent points out that the insurance extends 12 months from the date of loss and not from the inception date of the policy, often he can overcome insured's objection to a review of business interruption values.

### Amount Needed by Insured

The amount of contingent business interruption insurance needed by an insured depends on the extent to which his production could be affected by fire or other insured peril occurring at all contributing locations. If insured's operations could be shut down, then the contingent should be in the same amount as the business interruption.

In selling the form that protects a sales agent's commissions, the commission protection form should be used if the agent doesn't take title to the goods and the contingent form is the proper one if he does take title.

The premium adjustment policy has not proved popular, Mr. Lewis said. The 100% coinsurance requirement with no credit in the rate and the \$500 minimum premium are among its drawbacks, and these will have to be eliminated or modified before use of the form is adopted more widely.

### Calculator Important

It is important for the agent to insist that insured complete the calculator as to coinsurance, he said. The agent may find it wise to reassure the client or prospect that the calculator doesn't have to be returned. Many object that the information thus developed is confidential, but insured should know the answer.

The change in terminology from use and occupancy to business interruption has made sales easier, Mr. Lewis believes. U. & O. means nothing to insured whereas business interruption is language that he understands.

The agent who does not sell business

interruption protection voluntarily may have to do so in self defense, he added. It should be sold as a catastrophe cover, not to indemnify insured for a two or three week shutdown. Only one in four businesses now carry it, and it is, therefore, a big field. There is, he declared, no more fertile source of new business and new accounts.

In answer to a question from the floor, Mr. Lewis said it is absolutely essential to figure the amount of the insurance on the basis of profits before (not after) federal income taxes.

### Urges Program Selling

NEWARK—The presentation of the personal property floater as a modern method of insuring personal property which will eliminate the need for a number of individual contracts will offset most initial sales resistance, C. A. Kirkland, manager marine department of American, told the Insurance Women of New Jersey.

Most prospects, he said, are interested in doing away with a number of contracts which it has been necessary for them to have under the old method of insuring personal property. Agents should sell a program of insurance and not policies of insurance, he said.

### Krautkramer Local Agent

B. J. Krautkramer has established a local agency at Green Bay, Wis. He started in the agency business in Green Bay 14 years ago as representative of the Hardware Mutuals. Since 1936 he has been at the home office in Stevens Point as sales manager for eastern Wisconsin, two years in Detroit as Michigan manager, and then sales manager in charge of casualty and fire for the eastern half of the United States, becoming sales manager in charge of casualty and fire for the entire country in 1945.

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## EDITORIAL COMMENT

### Columnist Goes Amok

Joseph Garretson, who writes a column for the Cincinnati "Enquirer," took an unfortunate dig at insurance companies and their claim practices the other day. He started on the subject by reporting that his insurer had denied liability for damage done to the door of the garage that he rents when he backed into it.

Then he picked up the insurance claim subject again under the caption "Insurance Jokers" and reported an accident that happened to H. J. Hartke, president of Acme Veneer & Lumber Co. According to his account Mr. Hartke's car was struck by a runaway automobile whose driver had died at the wheel. The insurer of the other car denied liability for the damage to Mr. Hartke's automobile on the ground that the insurance lapsed when the driver died, according to this columnist.

Insurance men would like to know more about this case. The standard automobile policy provides that the insurance covers the legal representative of the insured until the policy expires and it covers anyone with proper temporary custody of the car for a maximum of 60 days.

The chances are that the insurer denied liability on the ground that there was no negligence under the law which is quite a different matter.

Then Garretson went on to give "more insurance gripes." He had a yarn about a denial of liability under a residence burglary policy because of lack of evidence of forcible entry and another denial of liability under a wind-storm policy for wave-wash damage to an oceanside dwelling.

At least for the past 20 years insurers in their residence contracts have covered burglary, robbery, theft and larceny with no requirement as to evidence of forcible entry.

Insurance men, of course, are all too familiar with the wave-wash problem. It is now possible to buy wave-wash insurance at a price.

The insurance business is not too thin skinned to take informed criticism but it has a right to expect more judicious treatment than this at the hands of a responsible publication. We don't have to defend all the exceptions to liability that exist today to complain that it is unfair to get up a string of examples of losses not covered and liability denied as indicating that the insurance companies are working a skin game. Especially so if the grounds for denying liability to a third party are not correctly stated and if it is not stated that the exception to liability cited has not been applicable for the past 20 years or more.

### Is Convention Fever Subsiding?

We are impelled to utter a hallelujah on the decision of the Home Office Life Underwriters Assn. hereafter to eliminate a midyear session and to have its annual convention in the spring when the schedule of insurance meetings is less congested. Perhaps our reactions are merely personal and selfish so we will moderate our praise. The siege that THE NATIONAL UNDERWRITER and other insurance publications have gone through this fall in trying to report the myriad of conventions has been memorable in that there have been no permanent casualties, only constitutions being rendered less rugged.

It was only natural after the suspension of large scale conventions during the war period for groups to set out to make up for lost time by having the biggest and best convention ever this year. Each organization proceeded to outdo itself and many organizations went beyond the pre-war pattern of an annual convention and perhaps a mid-

year gathering to hold regional sessions, special sessions, extra special sessions, king-size committee meetings, and a variety of innovations in the realm of conventions. These were not fun meetings and a great appetite was apparent for earnest exchange of views and information, for enlightenment and organization leadership. The convention pace was feverishly earnest.

Of course, the post-war convention rush is by no means confined to insurance. Wherever one goes he finds the hotel bulletin board loaded with notices of conventions, and the ordinary traveler who wants a room for the night so that he can transact a piece of business the next day and be on his way, has to prowls the streets looking for lodging.

Perhaps after this year the convention fever will subside somewhat. The thousands of groups will have had their big post-war get-togethers this year and hereafter may be satisfied to pursue a more pedestrian pace in this regard. If

so, the Home Office Life Underwriters Assn. deserves credit for being at least one of the first organizations to apprehend that 1946 was an abnormal conven-

tion year, and that it will not, and probably should not be regarded as a record that will be duplicated regularly hereafter.

### Explaining Summer Epidemics in R. I.

The explanation given by Arthur Patt, labor member of the Rhode Island unemployment compensation, for the rise in claims under the Rhode Island cash sickness benefit plan each summer when illness would presumably be less than in winter sounds more like the argument of a partisan than of a disinterested analyst.

Mr. Patt says that the rise is due to the fact that the benefit year under the Rhode Island plan begins April 1 and that on or shortly after that date claimants who are still ill but whose claims had been exhausted during the previous benefit year begin to file new claims.

This would seem like a good explanation if there were a sharp upward bulge for a brief period beginning April 1. It seems insufficient, however, to account for the generally higher level

of claims that prevails during the summer. Workers who are smart enough to file claims in the first place are presumably smart enough to file new claims the instant they stand to reinstate their benefits. It seems hard to believe that a man who is ill and getting along on a reduced income would wait any perceptible interval after the starting gun to file a new claim.

It would be a simple matter to show by figures that the increase in payments during the summer is due to renewals of claims previously exhausted. Until Mr. Patt comes forward with such figures those unbiased in favor of such plans as Rhode Island's will probably continue to believe what seems the more credible explanation—that the plan tempts a good many workers to report "sick" for the sake of an extra vacation with pay.

## PERSONAL SIDE OF THE BUSINESS

Fred R. Bigelow, chairman and former president of St. Paul Fire & Marine, who died in September, left an endowment to provide for the upkeep of the Col. Hercules Louis Dousman mansion, commonly known as Villa Louis at Prairie du Chien, Wis. This is contingent upon an act of the legislature to provide for the Wisconsin State Historical Society to take over the building.

Mrs. Bigelow is a granddaughter of Col. Dousman and she lived at Villa Louis as a girl. In 1935 the Dousman family deeded the villa and its surrounding buildings to the city of Prairie du Chien. Colonel Dousman was agent for John Jacob Astor's American Fur Co.

J. Edward Johnson has retired as British Columbia superintendent for London Assurance. He had been with the company since 1910 and in his present job since 1943. Mr. Johnson began his career in 1910 with Northern Assurance in Chicago and joined successively Webster, Wiley & Co. and Klee, Rogers & Corey there. He went to the Pacific northwest in 1908 and entered the Washington and British Columbia field in 1910 for London Assurance. He moved from Seattle to Vancouver in 1943 when the Montreal office took over supervision of British Columbia from the San Francisco office. He has served on the Washington advisory committee of the Pacific Board and on the executive committee of the British Columbia Underwriters Assn. He is a past president of the Special Agents Assn. of the Pacific Northwest.

Henri G. Ibsen, London manager of Baltica of Copenhagen, sailed for home on the Queen Elizabeth Nov. 29 after making his first visit to the United States. He made his headquarters at

the office of Constitution Reinsurance, of which he is a director. The U. S. branch of Baltica was converted into Constitution Reinsurance several years ago.

T. Ray Phillips, Oklahoma state agent of America Fore, is boasting of his eighth grandchild. He is thinking of issuing a challenge for the lead in this distinction.

Miss Jane Farrar, daughter of John J. Falvey, of Falvey & Co., Chicago agency, has the leading role in the Victor Herbert operetta, "The Firefly," and will arrive in London Dec. 23 for the production there of the musical.

R. W. Stevens, Chicago, member of the valuation engineering firm of Marshall & Stevens, and Mrs. Stevens have gone to Roseburg, Ore., for a month's vacation. Mr. Stevens will spend some time in the home office at Los Angeles before returning to Chicago.

Mrs. Genevieve Niskern, St. Cloud, Minn., local agent, was married there to B. Howard Flannagan, formerly of Kansas City.

## DEATHS

Robert J. Fuhs, 56, local agent at Jasper, Ind., since 1930, died there. He had been ill several years with a heart ailment.

A. K. Fiske, 73, retired Seattle agent, died there. He was a pioneer in the agents' association movement early in the century. He was born in Scotland and went to Seattle in 1890.

William T. Rambo, senior member of the local agency of Hall & Rambo,

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Tel. Parkway 2140. Abner Thorp, Jr., Vice-President. George C. Roeding, Associate Manager; George E. Wohlgenuth, News Editor.

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KANSAS CITY 6, MO.—605 Columbia Bank Bldg., Tel. Victor 9157. William J. Gessing, Resident Manager.

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PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127. Tel. Pennypacker 3706. E. H. Fredrikson, Resident Manager.

SAN FRANCISCO 4, CAL.—507-S-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.





which he established at San Jose, Cal., in 1913, died suddenly from a heart attack. He was a past president of the California Assn. of Insurance Agents and until recent years was a regular attendant at National association meetings.

**Henry H. Dixon**, 77, veteran member of the firm of Paul & Dixon, New Bedford, Mass., died following a long period of ill health. He was born in Taunton, Mass., entered insurance in 1887 and was with several local agencies until he formed the Paul & Dixon agency in 1911.

**Edwin N. Hopkins** of Des Moines, 79, well known among insurance men, particularly for his work in getting the insurance industry to aid farm youths, died of pneumonia. His brother, B. C. Hopkins, is a former president of the Iowa Assn. of Insurance Agents.

Mr. Hopkins was associated with the "Underwriters Review" of Des Moines when it was first organized and joined the Meredith Publishing Co. in 1917. He retired in 1941. He was instrumental in getting the National Board to establish scholarships for farm youths, which program is still being carried on.

**John Ermene**, 59, Milwaukee broker and former legislator, died there.

**D. A. Fortna**, 87, one of the founders and for years an official of Henrico Mutual Fire, died in Richmond, Va.

**Chris G. Mahanke**, 59, broker at Melrose Park, Ill., for 23 years, died there.

## READ 'em and WEEP

Holdup of a bank in Ohio netted thieves \$19,000 in cash and \$150,000 in securities. The only insurance was a \$30,000 bankers' blanket bond, leaving a \$139,000 loss to be borne by the bank. If the holdup men had not been caught and all but \$1,000 in cash recovered, the bank might easily have been forced out of business and would certainly have been financially embarrassed.

Open stock silver valued at \$30,000 was taken by burglars from a New York City store in a recent theft. Primary insurance of \$10,000 with \$15,000 excess coverage still left \$5,000 of the loss to be absorbed by the store.

A substantial fire loss, now in the process of adjustment, is covered by two policies in two different companies. One is a countrywide reporting cover on all personal property, which in this case included stock and fixtures. During the life of the policy before the fire, only stock was reported on and the premium was based on that amount. But now that the loss has occurred, it is found that expensive fixtures are involved which come under the policy coverage.

The other policy is an inland marine floater on equipment and carries a co-insurance requirement. The policy applies to equipment in four different states, but it is as yet undetermined whether the co-insurance is to be calculated on the basis of a single state or of all four.

Had reports been properly made on the reporting form and both policies written in similar language, settlement would be much easier to effect.

A woman was recently held up by a New York City thief and robbed of rings valued at \$2,400 which were covered for only \$500 under a burglary policy giving blanket coverage to unlisted valuables. Although the broker had urged the need of a jewelry floater the insured considered the possibility of hold-up too remote to pay for full coverage and as a result is taking a loss of \$1,900, since the jewelry has not been recovered.

Several hundred dollars damage was caused by fire in a Long Island dwelling insured for \$5,000, the original sale price of the house in the early 1930s. Replacement value is about \$10,000. Co-insurance of 80% applies. The insured will have to pay nearly a third of the loss.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, Dec. 2, 1946

	Div.	Bid	Asked
Aetna Casualty	3.00	83 1/2	85 1/2
Aetna Fire	1.80*	51 1/2	53
Aetna Life	1.60*	46	47 1/2
American Alliance	1.00*	19	20 1/2
American Auto	.80	30 1/2	32
American Casualty	.60	10 1/2	11 1/2
American Equitable	1.00	15 1/2	17
American (N. J.)	.70*	16 1/2	17 1/2
American Surety	2.50	58 1/2	60
Baltimore American	.30*	5 1/4	5 5/8
Boston	2.10*	61	63
Camden Fire	1.00	21 1/2	23
Continental Casualty	2.00*	46	47 1/2
Fire Association	2.50*	51	54
Firemen's (N. J.)	.50	12	13
Fireman's Fund	3.00	95	97
Franklin Fire	1.00	20 1/2	21 1/2
Globe Falls	1.85*	47	49
Globe & Republic	.50	8	9
Great Amer. Fire	1.20*	26	27 1/2
Hanover Fire	1.20	25 1/2	27
Hartford Fire	2.50*	95	97
Home (N. Y.)	1.20	25 1/2	26 1/2
Ins. Co. of N. A.	3.00*	90	92
Maryland Casualty	.10	10	11
Mass. Bonding	4.00	84 1/2	89
National Casualty	1.25*	25	27
National Fire	2.00	51	53
National Lib.	.30*	5 1/4	5 5/8
National Un. Fire	5.00*	140	150
New Amsterdam Cas.	1.00	25 1/2	27
New Hampshire	1.00*	49 1/2	51
North River	1.00*	21	22
Ohio Casualty	.80	35	37
Phoenix, Conn.	2.00*	84 1/2	86
Preferred Accident	.80*	10 1/2	11 1/2
Prov. Wash.	1.40*	33	34 1/2
St. Paul F. & M.	2.00*	62	64
Security, Conn.	1.40	30	32
Springfield F. & M.	4.75*	112	114
Standard Accident	1.45	27	29
Travelers	18.00	603	613
U. S. F. & G.	2.00*	43 1/2	45
U. S. Fire	2.00	44 1/2	46

\*Includes extras.

## Convention Dates

Dec. 5-6, American Management Assn., insurance conference, Drake Hotel, Chicago.

Dec. 9-11, National Assn. of Insurance Commissioners, Hotel Commodore, N. Y.

Dec. 11, Insurance Federation of New York, Hotel Commodore, N. Y.

Dec. 12, Self-Insurers Assn., Biltmore Hotel, N. Y.

1947

Jan. 8-10, National Assn. of A. & H. Underwriters, midyear, Blackstone Hotel, Miami Beach, Fla.

Mar. 27-28, Minnesota Agents, mid-year, St. Paul Hotel, St. Paul.

May 5-6, American Management Assn., insurance conference, Hotel New Yorker, N. Y.

May 15-17, Insurance Accounting & Statistical Assn., annual, Chicago.

May 15-17, Texas Agents, annual, Galveston.

May 25-29, National Fire Protection Assn., annual, Chicago.

May 26-29, H. & A. Underwriters Conference, annual, Paxton Hotel, Omaha.

June 26-28, Virginia Agents, annual, Hotel Roanoke, Roanoke.

Sept. 15-17, International Claim Assn., New Ocean House, Swampscott, Mass.

Oct. 13-17, National Assn. of Insurance Agents, annual, Atlantic City.

Oct. 23-25, National Assn. of Mutual Agents, annual, Cleveland.

## Fight Auto Finance 'Packing'

The Better Business Bureau of St. Louis has issued a special bulletin on financing of used car purchases, giving prominence to the letter of Superintendent Jackson to insurance companies requiring a policy or certificate of insurance to the purchaser where insurance is written on automobiles financed through loan companies, dealers, etc.

Superintendent Jackson's letter requires that at the time of purchase of a car or a completion of a loan, the purchaser must be given a receipt for the amount of money deposited with the agent, broker or company for the purchase of automobile insurance; policy certificates must be written in strict accordance with the Missouri state rules. They must be written for the full term for which premium has been charged; and the assured must be promptly notified of any cancellations or changes in policy.

## Ponder Insurable Values, Coinsurance, and Depreciation

(CONTINUED FROM PAGE 14)

ment head estimate the percentage depreciation on each item of equipment. This, he said, is satisfactory and far less costly than an appraisal.

### Problems of Trust Company

Companies are now studying to see if there is some way to take care of the problem of the trust company or other large institutional investor with many properties, either as mortgagee or owner, said Mr. Johnson in answer to question. He pointed out, however, that an errors and omission policy would not cover a coinsurance deficiency.

One man wanted to know whether the cost of moving machinery in order to repair a damaged floor should be borne by the building insurer or machinery insurer. Mr. Feimster said it would be borne by the building insurer. He likened it to the removal of a tree from a roof insured under a windstorm policy.

Mr. Lund asked about a loss which involved considerable overtime in repairs. Mr. Feimster said ordinarily overtime is not a proper charge under a property damage contract. However, overtime needed to protect property from further damage would be paid.

### DuBois to Berkshire

F. M. DuBois has joined Berkshire Mutual Fire of Pittsfield, Mass., as supervisor of agencies and underwriting manager. He was a captain in the army and was recently released. He started in the business in 1927 with North America and served both in the western department and at New York. In 1932 he went with Yorkshire and was located at London for a year, and then was subsequently fire underwriter at New York and then special agent. In 1938 he went with Northern Assurance in the New England field and remained with that company until he entered the army.

### R. S. Shephard to Pa.

Raymond S. Shephard has been appointed special agent for Great American in eastern Pennsylvania with headquarters at 110 South Fourth street, Philadelphia. Most recently he has been in the New York suburban field. In Pennsylvania he succeeds Richard E. Stenger, who has been transferred to the home office.

### Sheffer-Cunningham Adjusters

Sheffer-Cunningham, Wichita adjusters, have added two new staff adjusters, Kurt Riesen and Clyde C. Benefiel, both of Wichita. Mr. Riesen, a former attorney, recently received his discharge from the army. He is a graduate of the law school of the University of Kansas and has had seven years legal experience. Mr. Benefiel, a Wichita University man, served in the navy and more recently was with the Wichita police department in accident investigation and public relations work. He will handle marine, burglary and automobile claims for Sheffer-Cunningham. He recently addressed the Wichita Assn. of Insurance Agents on burglary and accident prevention.

### Patton Hutchinson Speaker

Wade Patton addressed the Hutchinson (Kan.) Assn. of Insurance Agents on activities and plans of the Kansas association and reported on the recent meeting of the executive committee, of which he is a member. Tentative plans were made for a special meeting to be addressed by Alpha H. Kenna, new executive manager of the Kansas association, to which prominent business men would be invited.

## Ask Recovery for Cost of Shipping by Rail to Dodge Submarines During War

WASHINGTON—Baker Castor Oil Co., in petition to the U. S. Supreme Court for writ of certiorari to the second circuit court, seeks reversal of judgment denying it recovery from North America under war risk policy of cost of shipping Brazilian castor beans from New Orleans to New York by air during the war. Brazilian ships were diverted to the former port because of the submarine menace. Contracts called for transportation to New York.

The circuit court held there was no impact of warlike operations involved and included in risks covered by the policy. Petitioner claims there is "in cargo policies an additional insurance of safe transportation to and arrival at the port of destination." It argues German warlike operations caused diversion to New Orleans and expense of rail transportation, which is recoverable under the policy. If German operations were excluded as cause of loss, the latter should be held caused by U. S. or Brazilian government action.

## Dunifon Named as Ohio Director of Commerce

COLUMBUS—Thomas J. Herbert of Cleveland, governor-elect of Ohio, has appointed Dale Dunifon, Columbus attorney, state director of commerce. The insurance division is a part of the department of commerce.

Appointment of a superintendent of insurance is looked for at an early date. It is reported that there are more applicants for that position than any other in the gift of the governor. Latest names mentioned are those of R. Brooke Alloway, Columbus attorney, and Frederick M. Broda of Webb, Broda & Co., Canton. Mr. Dunifon served as an assistant attorney general under Mr. Herbert. He has had much experience in the handling of insurance matters. He was Ohio liquidator for Fidelity Investment Co.

## Takes Independent Action

Indemnity of North America has made independent workmen's compensation rate filings in Connecticut, Florida and Kansas and has withdrawn from the National Council on Compensation Insurance insofar as those states are concerned.

## L. A. Barrett Bond \$25,000

Lawrence A. Barrett, who was indicted for embezzlement of \$117,168 while serving as liquidating trustee of Madison-Kedzie Trust & Savings Bank, Chicago, was bonded for \$25,000 by Maryland Casualty. Barrett failed to appear for arraignment in Cook county criminal court Tuesday and the sheriff's police are searching for him. According to investigators the money went to bookies and to pay gambling debts.

## Koster Case Assigned

WASHINGTON—The case of Koster vs. Lumbermen's Mutual Casualty has been assigned for hearing before the U. S. Supreme Court the week of Dec. 16, on the summary docket. Only a half hour will be allowed for arguments on each side.

H. A. Stutsman, veteran Wichita local agent, was married Thanksgiving Day to Mrs. Vera Good Williams, prominent Wichita business woman.

Robert F. Paviour, after five years in the army, has joined the R. S. Paviour agency of Rochester, N. Y. He has completed a training course at the home office of Phoenix of Hartford.

At the Dec. 5 dinner meeting of the Insurance Women of Columbus, Miss Mado Shore of Central Community House will outline the work done at the Center. A musical program of Christmas carols will be presented.



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Atlanta (3): Kemper Insurance Bldg.	Portland (4): Yeon Building	Syracuse (2): Syracuse-Kemper Ins. Bldg.
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## Cal. Unemployment Disability Plan Now in Effect

### Insurance Interests Are Striving to Popularize Voluntary Route

LOS ANGELES—Beginning Dec. 1, the new California unemployment disability benefit law also known as the Shelley bill became effective.

It is general knowledge here that all insurers, save two large eastern companies, writing group A. & H., are writing or will write the coverage in one form or another. One of those companies has notified its field forces it will come in line later. Some companies are limiting the extent of their participation. Others are preparing to handle groups of less than 10 in number.

While the state commission has given approval to plans submitted, the approval is understood to be but tentative, subject to later action when the commission has adopted its final rules. Companies have submitted to the insurance department the policies under which they will write the line, and are using these policies under tentative rulings, yet, insofar as is known, the department has not set its final seal of approval on any of the policies.

#### Outlines the Highlights

The California department of unemployment, which will administer the new law, in a bulletin just issued has outlined highlights of the plan as administered by the department. A person must file a claim according to regulations; he must have earned at least \$300 during the base period; he must have filed a medical certificate, served a seven-day waiting period, and submitted to a reasonable examination if required by the state department.

One may not receive disability benefits if he is receiving unemployment insurance at the same time; or if he is receiving workmen's compensation, if he is receiving his regular wages and they equal or excel the amount of the benefit award; or if he is receiving GI readjustment allowances.

A claimant must have been under the care of a physician some time during the first week of disability and he must sign the certificate.

The applicant, if his claim is approved, will receive for sickness benefits the same amount he would receive as straight unemployment benefits. The weekly rate will vary from \$10 to \$20. The maximum he may receive will vary from \$160 to \$468 during the year, depending upon how much he earned during the base period.

A person may draw compensation for more than one disability during a year, but his total payment for the year remains the same maximum. He may receive both unemployment compensation and disability payments in the same benefit year, but not simultaneously. He will be limited to 150% of one award if he draws both benefits. If he qualifies for \$468 from either insurance, he will be limited to \$702 if he receives both unemployment insurance and disability insurance for the year.

Money received from a private insurance policy for which he pays premiums will not prevent a person from receiving benefits from the state.

(CONTINUED ON PAGE 28)

## TOWNER BUREAU RESEARCH

# Make Study of Proper B. & L. Blanket Bond Cover

The Towner Rating Bureau, at the Milwaukee annual convention of the U. S. Savings & Loan League, distributed a study that it has completed of the amounts of bond coverage carried by building and loan associations of various sizes, and including the following recommendations as to amount of blanket bond coverage:

Group	Total Assets	Suggested Amt.	Min.	Fair
1.	Less than \$100,000	\$5,000	\$10,000	
2.	\$100,000 to 200,000	10,000	15,000	
3.	200,000 to 300,000	15,000	25,000	
4.	300,000 to 600,000	20,000	35,000	
5.	600,000 to 1,000,000	30,000	50,000	
6.	1,000,000 to 2,000,000	45,000	70,000	
7.	2,000,000 to 3,000,000	65,000	95,000	
8.	3,000,000 to 5,000,000	80,000	120,000	
9.	5,000,000 to 10,000,000	100,000	150,000	
10.	10,000,000 to 15,000,000	150,000	200,000	
	Over 15,000,000	200,000	and up	

The study was made by W. K. Mendenhall, assistant secretary of Towner Rating Bureau.

The proper amount of blanket bond coverage has long been a difficult problem for both the surety and the savings and loan associations. Mr. Mendenhall declared. The bureau started its study several months ago so as to obtain factual data. Members of the Towner Rating Bureau were questioned about their blanket bonds for savings and loan associations and the study includes a summary of the results.

The recommended amounts in the table above, Mr. Mendenhall emphasized, are purely minimum figures, suggested as a result of extensive study and consideration of the many factors involved. The figures should not be interpreted as maximum amounts which may be needed to provide indemnity to the full extent of losses that may occur.

Many carefully managed associations are carrying bonds considerably in excess of the amounts designated as "fair" in the table.

Far too many associations have taken the minimum bond amount which they are eligible to buy instead of getting an amount commensurate with their exposure to loss.

More than 90% of the associations whose coverage was analyzed are now protected by savings and loan association blanket bond standard form 22. This has largely replaced the old form 16, and it is constantly replacing individual and schedule forms of bonds. Mr. Mendenhall recommends that any association now protected by No. 16 seriously consider the advisability of converting to No. 22.

More than 65% of the No. 22 bonds are written with forgery and alteration coverage.

Mr. Mendenhall cited the rate reduc-

## Traffic Death Rate Drops 5% in Oct.

Traffic accidents took 3,120 lives in October, but for the first time this year the monthly toll dropped below the 1945 rate, the National Safety Council has reported. Deaths were 5% fewer than October last year, when 3,280 persons were killed.

The council declared the total for the year will be about 34,000.

The 10 months traffic death total is 27,520, 25% higher than for the same period of 1945. The increase resulted primarily from the high totals early in the year.

The 1946 monthly trend in pedestrian deaths is sharply downward, decreasing 36% from January through August, while non-pedestrian deaths increased 31%.

tions that have been made in recent years to bring the cost of suitable amounts of coverage easily within the reach of most associations. The rates are the lowest they have ever been. At the same time the coverage has been materially broadened. Mr. Mendenhall reviews in particular what has been done in that regard.

The bureau is now engaged in gathering information about specific losses and this will aid in refining the recommendations.

The increase in crimes furnishes a challenge to monied corporations or financial institutions to exercise greater care in safeguarding their operations against loss. The association should not be complacent because it has not had any losses.

Many associations have not increased the amounts of their coverage to keep pace with their growth.

### LEAGUE INSURANCE UNIT MAKES SEVERAL REQUESTS

The insurance committee of the U. S. Savings & Loan League offered several suggestions in the way of policy contract changes.

Horace Russell of Chicago, counsel of the league, who has been working on alterations in the surety and fidelity bond field for many years, advised the committee in suggestions to the surety companies.

The first was for a simplified completion bond for small home construction. It was pointed out that the owners protective bond provides for completion and payment and that bond is used only in about 5% of home construction.

The committee desires a performance bond, in which the surety is obligated to finish the job, but with no guarantee of payment for labor and materials.

It was pointed out that the next 10 years, building is expected to proceed at a rate of \$4 to \$5 billion annually. This is a big field for surety companies if they can write bonds on a good portion of it. This could be done by simplifying the owners protective bond in such a manner that the sureties could afford to write it on the majority of contractors.

#### Change in Mortgage Clause

Another suggestion of the committee was to change the mortgage clause of the 1943 New York standard form in such a manner that payments on losses could not be made to the property owner without consent of the mortgagee. It was further suggested that the clause be called the "creditor's insurance contract" rather than the mortgage clause.

The committee also asked for clarification of the savings and loan blanket form No. 22 in regard to fraud by applicants for GI loans. It was pointed out that veterans applying for loans, who are not eligible because of insufficient length of service, dishonorable discharge, or because of a prior loan, may misrepresent their eligibility and obtain a loan under false pretenses. The league asked the surety companies to consider a change in the policy which would clearly indemnify them in such circumstances.

Among the surety men attending the convention of the U. S. Savings & Loan League were Martin Lewis, president of the Towner Rating Bureau; Charles Peterson, assistant vice-president, and Edmond Madden, Chicago bond manager of Maryland Casualty; Robert Howell, Fidelity & Deposit; and C. G. Roth, T. J. Flynn, Joseph A. Gernhardt and George Texido, National Surety.

## Complaints Made on Only .1% of A. & H. Claims

### H. & A. Conference Reveals Results of Study in Two States

A study made by the Health and Accident Underwriters Conference of accident and health claims paid in 1945 in two states reveals that more than 99.9% of all accident and health claims paid caused no complaint, and that a few companies were responsible for most of the complaints.

This substantiates a similar survey made four or five years ago by 11 insurance departments. This study covered all classes of accident and health business and all types of carriers.

Frequently, in 1945 and the early months of 1946, insurance commissioners and department personnel made reference to the supposedly large number of complaints on accident and health claims their departments were receiving from policyholders. It was most frequently mentioned at meetings of the accident and health committee of the National Assn. of Insurance Commissioners, since some commissioners believed a great proportion of the complaints could be eliminated through inclusion of stricter requirements in the "Official Guide for the Filing and Approval of Accident and Health Policies".

#### Illinois and Michigan Selected

In an attempt to determine, as completely as possible, the reasons for accident and health claim complaints, as well as the actual number of such complaints, committees of company representatives arranged to make surveys of the complaints received by the Illinois and Michigan departments in 1945. These two states were selected because of their convenience and accessibility to the company committees. Also, the states provided data on a comparatively large number of policyholders and claim settlements. As reported in The National Underwriter, Illinois and Michigan premiums totaled \$79,700,000 with losses of \$41,600,000.

In March and April, 1946, representatives of companies domiciled in each of the two states visited these departments and made a careful study of each accident and health claim complaint and inquiry received between Jan. 1, and Dec. 31, 1945. The survey was entirely impartial and no representative was permitted to review the files of his own company or discuss them with other "examiners."

All of the 967 accident and health complaints and inquiries received by the two departments in 1945 were carefully analyzed by the survey committees. Letters from prospective policyholders merely questioning the financial status or reputation of a company were not included in the files examined. Results of the survey as tabulated by the conference are:

Claim complaints .....	787
Inquiries and complaints other than claim complaints .....	180*
Total complaints and inquiries .....	967
Origin of Complaints and Inquiries	
Department's home state (Illinois and Michigan) .....	748
Foreign states .....	313
Not indicated .....	6

(CONTINUED ON PAGE 30)





Does Your Fire Insurance Protect the Contents of All the Rooms in Your Home?

## Predicts Poor Residence Theft Showing Till 1949

**John J. Iago of F. & D.  
Tells Maryland Men  
How Agents Can Help**

BALTIMORE—What is happening under the residence burglary and outside theft policy, and a suggestion as to how agents might help the situation formed the gist of the talk by John J. Iago, vice-president of Fidelity & Deposit, before the Maryland Assn. of Insurance Agents here. It was a judicious estimate of the factors that made the coverage and the experience it is now going through one of the most controversial in the business.

We are now in the early stages of the crime wave that was expected, Mr. Iago said. The largest increase in crime since records were kept, occurred in 1945, according to the Federal Bureau of Investigation, and 1946 so far shows an accelerated rise over 1945.

### Increased Amount Stolen

The increase in the average amount of loot taken in these crimes is not as spectacular as the increase in frequency, but it has a much greater effect on the underwriting experience, he pointed out. Both factors are pressing on the companies that write insurance covering such losses.

In 1945 the aggregate underwriting experience of the stock companies reflected a very small underwriting profit, one-fifth to one-sixth of what they ordinarily earn on this type of business. In 1946 the greater losses will mean an unsatisfactory year, and indications are that 1947 and 1948 will be no better and may be worse, he said. For two or three years after the last war the burglary insurance departments of the companies were in the doghouse. The agents couldn't get the insurance they wanted, and company managements couldn't produce figures that stockholders liked.

### Householders Bear Brunt

Ex-soldiers, it was predicted, would as after the last war lead the crime wave. This has not occurred—at least as yet. The big amount of crime is petty, he explained. There has been no great number of big crime against banks or businesses; there have been few or no holdups of armored cars and payrolls.

So far, the brunt of the effects of the crime wave have been borne by policies covering householders. The problem child is the residence and outside theft policy. The companies have sought to improve experience by increasing the rates. The personal property floater has shared the same underwriting fortune. It covers the same type of loss. Its losses have followed the same curve. In 1942 the loss ratio was 37% for the conference companies; it is now running twice that.

It is puzzling, he said, that the crime wave has hit hardest property covered by these two forms.

### Not Enough Insurance

One of the contributing factors in the case of the residence policy is that the insurance carried is not in proportion to the exposure, and this is true under the personal property floater. Insurance is inadequate.

Perhaps the residence theft experience can be improved if agents consistently sold it for higher amounts. This would increase the premium. It would also in-

(CONTINUED ON PAGE 29)

## PICTURE IS CONFUSED

# Big Increase in Casualty Premiums, Losses in 1946

Many of the casualty companies expect to close the year with an increase in premiums of 15 to 20%. For the larger carriers there has been a big gain in the automobile account, not only because of higher rates but also because of new business and business that some of the smaller insurers have had to let go.

New automobile insurance has come from both financial responsibility laws and because owners have the money for premiums. The young men who while in service had to carry the automobile coverages during the time they had cars on military reservations are continuing to buy after they get back to civilian life. They were educated to the wisdom of protection.

### Other Lines Gain

But other lines will also show gains this year. These vary from company to company and from line to line. One insurer has had almost a 50% increase in contract bond premiums. Another has twice as many new fidelity bonds as it secured in 1945. Fidelity probably has increased for all companies that push it, though production is hard to compare because of the switching of business to a three-year term.

Workmen's compensation may show a slight rise. Glass premiums are up. General liability lines are on the increase. Professional liability will register a gain though the few companies that write it seldom push it except for druggists' liability, which has been profitable. In the medical field it is written chiefly as an accommodation to agents. It gives the agent another service to offer. The return of thousands of doctors from service and their renewal of professional liability coverage probably accounts for some of the premium increase on the line.

It is doubtful if any of the major casualty coverages will fail to stand higher at the end of 1946 than at the end of 1945.

### No Celebration

Yet there is no spirit of celebration among the casualty insurers. There is a great deal of confusion and uncertainty, more, one executive commented, than he has ever seen before in the casualty business. The smaller companies are having to curtail their automobile and other writings or jettison business. They can't afford to carry it indefinitely at a loss. Some of the larger companies are taking a lot of this orphaned business as it appears at their front doors, but they are trying to grade up its quality. They are also cleaning house of agencies in which they have lost confidence because of poor experience or other causes. Even of some good agencies the companies are asking a larger share of the total production in order to offset losses on such items as automobile.

As a consequence many agencies are looking around for new company connections. Others, disturbed by the pressure for a larger share of their premiums by individual companies in the agencies, are making discreet inquiries. It is an unsettled time.

### Enlarging Agency Plant

The purpose of the companies is of course to improve the quality of the business to the extent they can. Like the fire companies, they are weeding out agencies which have not proved good connections, though an agency might be profitable to one company and not to another. A few of the companies are increasing the number of their agencies. They believe the business is passing through a temporary period of adjustment, a time of rising losses and

rates, and that generosity in making their facilities available now will give them valuable additional agency connections. With a broadened production foundation, they will be in an improved position when the economy settles down in its normal post-war course. One company has set a goal of 25% more agencies next year, and it already has a big country-wide agency plant.

The chief bid of these companies is in the automobile field. They are taking business as it comes in, figuring that sometime next year automobile experience will improve, and that they will make back their losses and more rather quickly on a larger volume.

### Some Pessimism on Auto

Yet not all companies are so sanguine about the automobile business. They don't believe it will cross the line from loss to profit next year. Why? Because of inflation, lack of traffic control (fear of police surveillance is a powerful deterrent to speed, passing on hills, and other taking of chances), the high cost of labor and parts, and perhaps most important of all the higher cost of doing an insurance business.

These and other pressures, particularly if strikes and shortages continue, will go right on producing an underwriting loss in the automobile field. Increased rates are helping and incurred loss ratios are going down month by month. Rates are at pre-war levels on bodily injury liability and somewhat higher on property damage, but pre-war conditions do not exist. Costs are higher than pre-war. Therefore present rates may not be high enough.

One favorable factor is the noticeably greater competition in the automobile repair field, largely from returned GIs. This is already causing lower repair job prices. Traffic control is improving.

### More Drunken Driving

But drunken driving is increasing. More cars are speeding. More youngsters are driving and causing accidents. Losses have to improve a great deal yet to get in the clear, and the effect of rate increases will not be fully felt until the end of next year. The only real hope is a decline in the frequency of accidents. If new cars had come onto the market at the time automobile manufacturers anticipated, insurers would have had the advantage of a strong psychological factor—the desire not to bang up the nice, new car. With the old jalopies, that extra margin of care is lacking.

Company executives fear that before the automobile business improves enough to show a profit, workmen's compensation will cross the line into the red, a line it has been slowly approaching and from which it is not now far distant. Only a slight change will throw it into the red. They regard passage of automobile financial responsibility laws now as unfortunate, because it forces a lot of auto business on the books when it isn't profitable. The business created by these laws tends to be adverse since the most responsible citizens in a state carried the coverage before the responsibility law was passed.

Inflated costs, high verdicts are tearing the companies' reinsurance arrangements to pieces. This is always serious, but for the company with limited reserves the squeeze may dry up the money they must have for going ahead.

It is a time that calls for skill, resourcefulness, and endurance as well as courage.

**The Accident & Health Underwriters Assn. of St. Louis** will hold its New Year party Dec. 27.

## Dunathan Head of Casualty Group

**Mutual Section Plans  
Four Two-Day Chicago  
Meetings During 1947**

L. M. Dunathan, assistant secretary of Shelby Mutual Casualty, is the new chairman of the automotive and casualty section of the National Assn. of Mutual Insurance Companies. The section, which now has 30 member companies, is planning four two-day meetings in Chicago during the third week of March, June, September and November. Underwriting problems will be discussed in March, claims in June and accounting and office management in September. The November subject has not been decided upon, but other matters to be considered during the year are investments, safety, sales and advertising and legislative and legal problems.

W. C. Searl, Lansing, Auto Owners, is vice-chairman of the section and P. E. Beuhler, Columbus, Beacon Mutual Indemnity, is secretary. The executive committee consists of C. W. Leftwich, Columbus, Farm Bureau Mutual; Irving Maurer, Madison, Farmers Mutual; R. B. Goode, Des Moines, Allied Mutual Casualty; C. C. McGiffin, Traverse City, Mich., Michigan Mutual Automobile; and W. P. Buchette, Milwaukee, Milwaukee Automobile.

Born in Huntington, Ind., in 1902, Mr. Dunathan was reared in Marion, O., and graduated from Ohio Wesleyan University in 1924. He started with Shelby Mutual that year as a field representative, receiving his present title and becoming a director of the company in 1928. He is in charge of the agency department and has traveled throughout the country in that capacity. Mr. Dunathan has been active in the automotive and casualty section for a number of years, serving as chairman of several committees and was vice-chairman of the section last year.

## Leonhart to Mark 25th Anniversary

BALTIMORE—On Dec. 14 W. Harold Leonhart, head of Leonhart & Co., reinsurance agents and brokers, will mark his 25th anniversary in the business with a party at Hotel Belvedere here. Approximately 50 are expected to attend, a number from out of town.

Mr. Leonhart entered the business 25 years ago with J. Ramsey Barry & Co. of Baltimore, and continued with the firm until July, 1941. When he resigned he was serving as vice-president. He left to form his own reinsurance agency, to which later was added a local and general agency business.

Mr. Leonhart, still a young man, has been extremely successful in building a nationwide reinsurance business, a field in which he is a recognized authority. He has contributed to the reinsurance number of THE NATIONAL UNDERWRITER. Much of his reinsurance goes to London Lloyds.

The B. B. Putnam agency, Marietta, O., will hereafter be known as the Wiant Putnam agency. Mrs. W. Putnam purchased the agency and it will be conducted by her son, William T. Wiant.

R. E. Jones has purchased the Heaton Stratton agency and Ohio Insurance Agency, Salem, O. They are to be merged.

Gordon C. Grubb has purchased the Gibbons agency at Mt. Vernon, O.

F. T. Purpus of New Bremen, O., has taken his nephew, J. W. Boesel, into partnership. Mr. Boesel was with American National before he entered service and came out with the rank of captain.



W. H. Leonhart



## Schwellenbach Hits W.C. Laws

WASHINGTON — Amendment of workmen's compensation laws for benefit of workers was recommended by Secretary of Labor Schwellenbach and Assistant Secretary Morse in talks to the Conference on Labor Legislation.

"Workmen's compensation is a field where more improvement in state laws has occurred in recent years than in any other," said Schwellenbach, "but we have a long way yet to go. Indeed in one important respect, we are failing today to enforce the basic goal of workmen's compensation as it was conceived over a generation ago. That is to pay the injured workman up to two-thirds of his average weekly earnings. At present wage levels, most states award him less than half his earnings."

"Although 20 states since 1940 have enacted second injury funds to facilitate the employment of handicapped workers, 14 states still have not acted to remove this excuse for discrimination against their disabled veterans and civilians. Although 33 states provide compensation for some occupational diseases, only 16 have all-inclusive laws. Surely today there can be no argument that a worker injured or killed by an occupational disease—and his family—needs workmen's compensation just as badly as the one who suffers or dies from an industrial accident. Many states lacking these tested safeguards will have legislatures tested in 1947."

### Wants I.L.O. Standard

Morse urged American compensation laws be brought up to the standards of the International Labor Organization.

Compulsory coverage is the first principle of workmen's compensation, said Morse. "Only 20 of our state laws are compulsory. In addition, in many states, employers are exempt if they have fewer than a specified number of employees. The result is that about 50% of employed workers in the U. S. are not covered by workmen's compensation laws."

Another I.L.O. standard in workmen's compensation is that the waiting period should be five days. Only 10 states have so short a period.

"The I.L.O. convention calls for benefits approximating 66 2/3% of the wage. Twenty-eight states have less than this percentage, and in addition the maximum benefits are cut down appreciably by limitations on the amounts that can be paid."

### Practice Better Than Indicated

"Our practice is better in many instances than our legal protection would indicate, but that is all the more reason why we must bring our standards up to date. It is difficult for the U. S. to participate in the I.L.O. and not do something to correct these deficiencies in our own labor legislation."

George B. Kreuger, New Jersey deputy labor commissioner, served as chairman of the conference.

Attracting attention was a report by Richard Fondiller, consulting actuary, on compensation laws. Mr. Fondiller read a paper at the Portland, Ore., meeting of the industrial commission officials last summer in which he said that "in the past 10 years, in the face of much social progress along many lines, workmen's compensation benefits have steadily lost ground. Instead of an integrated program enabling benefit provisions to be increased without increasing the level of insurance rates, reduction in the rates for insurance have been made."

Thirty-two states were listed in which reduction of compensation rates ran to 45% higher than increase of benefits paid during the past 10 years. Increase in benefits is on a par or above reduction in rates in seven states.

Write more accident business by subscribing to The Accident & Health Review, \$2 a year, 175 W. Jackson Blvd., Chicago.

## Company Counsel Raps Compulsory Auto Rates in Mass.

BOSTON—R. A. Cutter, counsel for the stock companies appearing before Commissioner Harrington at his hearing on the compulsory automobile liability rates tentatively promulgated for 1947, declared that the tentative rates proposed by the commissioner are 7% less than pre-war rates, in the face of the fact that claims costs in 1947 will have

increased 38%.

Mr. Cutter maintained that the commissioner had used as a basis 1942 rates set just before Pearl Harbor and early 1945 conditions, which reflected peacetime conditions and did not take into consideration the many new cars now on the road, men back from service, the younger element among the drivers, and increased costs of living.

Accident frequency has shown a constant and steady increase since V-J day and the cost of settling the average accident claim has increased from \$222 in 1941 to \$315 in 1945; a jump of 38%, he stated.

On commercial and miscellaneous cars, he said the 1947 rate should be 28% above the tentative rates proposed by the commissioner in order to meet claim costs. He criticized the truck rates, which are causing a heavy burden by reason of a new classification, and recommended that the over-all weight of 19,500 pounds be the dividing line between light and heavy trucks.

He maintained the commissioner had not fairly and properly interpreted the experience tabulated by the Massachusetts Automobile Accident & Rating Bureau in allowing a 6% average increase in rates on passenger cars.



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## Cal. Unemployment Disability Plan Now in Effect, Push Voluntary Cover

(CONTINUED FROM PAGE 23)

The employed person under unemployment insurance pays no additional tax for disability insurance. It all comes out of the 1% tax on his wages for unemployment insurance.

Employer or employee groups may establish voluntary health insurance plans if they choose and all parties agree to it, but the voluntary plan must provide benefits to the employee which are greater than the state's.

### Companies Are Listed

Among the companies, whose policies have either been approved or that have been given assurance that the filings meet the requirements are: California-Western States Life, Occidental Life, West Coast Life, Pacific Mutual Life, Associated Indemnity, Pacific Employers, Equitable Society, Metropolitan Life, Connecticut General Life, John Hancock Mutual Life, Aetna Life, Travelers, Columbian National Life, State Mutual Life and Prudential.

Industrial Indemnity decided against

insuring directly the unemployment disability risk, but to protect itself against competition on its workmen's compensation risks from compensation insurers that might write 24-hour a day coverage, Industrial worked out an arrangement with California-Western States Life. The life company will underwrite the business that is produced by Industrial Indemnity's brokers and agents. It will be known as the "Industrial Indemnity-Cal-Western plan."

### Payments on Daily Basis

That policy pays a flat \$20 a week for 26 weeks except that for part-time employees it pays 70% of customary wages. Payments are to be made on a daily rather than a weekly basis. There is provision either for a seven day or lesser waiting period or none at all. There is six weeks indemnity for pregnancy, but some contracts will be issued eliminating this benefit.

There is a trade dispute disqualification which also applies to the state fund

plan. Benefits are eliminated when an employee may have left his job on account of a trade dispute. Duly accredited "practitioners" disability certificates are accepted as well as those of physicians even though there may be a question as to whether the insurer would be required to accept it as a matter of law.

### Premium 1% on First \$3,000

The Industrial Indemnity-Cal-Western premium is 1% on the first \$3,000 of payroll. Every other policy, it is believed, specifies so much premium for \$10 of benefits based on a formula of male and female content in the group, etc.

Under "Other General Provisions" there is a section reading:

—Amendments to the CUI act. If the CUI act or authorized regulations thereunder shall be amended after the effective date hereof so as to increase the amount which the company would be obligated to pay under the provisions of the paragraph relating to benefits or otherwise such increase shall be included in the amount payable by the company or this policy shall be terminated by either party by 60 days written notice to the other unless and until this policy shall be amended by agreement of the company and the employer to provide for the payment by the company of the increased amount.

### Must Give More or Quit

That section, in short, provides that the insurer must either give greater benefits if required by the legislature or terminate the policy. This kind of provision has been insisted on by the American Federation of Labor. The California State Federation of Labor agreed to advise their unions that the Industrial Indemnity-Cal-Western policy form is satisfactory. This, however, does not imply that the federation is formally approving or recommending the contract.

Most of the regulations respecting the new act have been promulgated by the department. Four are still under consideration by the appeals board of the commission. These are the regulations which would confine the issuance of a certificate to a California physician to one who resides in California or within 100 miles of the border thereof. The AFL is objecting to this limitation. The previous proposed regulation permitted any physician licensed in California irrespective of where he resides to execute a disability certificate. However in order to make the physician restriction parallel with the practitioner restriction as to one who resides in California or within 100 miles of the border the division chief thought it necessary to make the two regulations similar. The latter regulation confining practitioners to those who reside within 100 miles of the border is under appeal by the Christian Science Committee on Publications.

### "Regular Wages" Regulation

The proposed regulation as to "regular wages" which confines the operation of this term to wages paid "directly" and "entirely" by the employer is under appeal by California-Western States Life, Insurance Economics Society of America, California Manufacturers Assn., Douglas Aircraft Co., Tide Water Associated Oil Co. and Unity Mutual Life & Accident. These interests are all represented by Harold H. Leavey, vice-president and general counsel of California-Western States Life. They contend that the proposed definition would be an open invitation to subterfuge by the employer paying disability funds into the hands of a bank or other trustee for disbursement in accordance with a set plan or to put three union members on a claims committee to pass upon the facts which would entitle the employee to wage continuance under a set plan.

Proposed regulation 276 is under appeal by the AFL. This gives all em-

ployers units and their insurance carriers a right to appeal an adverse claim determination in a set of circumstances where there may be any charge back to the employer from the state fund on account of the claimant's benefits relating to his so-called "base period."

### Eliminate Debit-Credit Plan

The newly promulgated regulation 282 eliminates the former plan of a system of debits and credits. As it is presently written it provides that each plan including the state fund will pay all claims of a worker which arise during the time the worker is covered by that particular plan except where a claimant is unemployed in which event the state fund will make payment of the claim and charge back the amount to the voluntary plan that covered the individual during his "base period." This regulation in effect is a proposal originally made by John Hancock. The regulation has been accepted by all interested groups including the commission, the AFL, Life Insurance Assn. of America, and the California companies.

Of special interest in view of the appeals board's determination of Oct. 3 that an employee insured under the state fund cannot get wage continuance and benefits in the same week is the ruling that the employees' so-called "benefit year" will start to run from the time a private plan benefit payment is made to him even though under similar circumstances the state fund would not have made a payment to the claimant.

### CIO FOR VOLUNTARY

The representatives of the department of employment, including T. H. Muford, who has charge of making the rules and regulations, has informed all of its personnel and has gone on public record that it urges employers to give consideration to voluntary plans. The department hopes that voluntary plans will succeed in a big way. No less important is the fact that on July 19, the CIO recommended in its state wide publication that its unions try to work out voluntary plan coverage because the benefits would be greater than under the state plan. The AFL representatives, including the head of its local organization, Neil Haggerty and its attorney, Charles Scully have been most cooperative and it is expected they will recommend private plan coverage to local unions if the policy forms are at all satisfactory.

The personnel in the state insurance commissioner's office, particularly J. N. Andrews who has been assigned to examine policy forms has been most helpful and cooperative.

The department of employment has ruled that it will be permissible to cover trade association cases by a single policy of group insurance but that application for the approval of the plan must be obtained by each employer member of the association who is participating in the insurance plan.

### Author of Bill Defeated

Senator John Shelley, the principal author of the disability insurance, was a Democratic candidate for lieutenant governor but was defeated. This means that he will not hold elected public office in California after Jan. 1. Senator Shelley has been a labor organizer for the AFL.

The insurance commissioner's office has had discussions with the attorney general's office and apparently the conclusions are that since the Shelley bill is a later enactment by the legislature than the insurance code that it is legal for a policy to be issued on a basis which meets the requirements of the Shelley bill without reference to the limitations contained in the insurance code.

This probably means that a policy need not be written on group insurance basis and may cover less than 10 individuals and need not have standard provisions and need not provide for the

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issuance of individual certificates. This determination comes as a considerable surprise to some on the insurance commissioner's staff, and may very well result at an early date in many casualty companies going into this Shelley bill field. It may also bring about an apparent necessity for legislation on the subject matter of policies written to give Shelley bill coverage.

The life companies which it is believed are the only ones in the field up to date except Pacific Employers, have taken the position that they will make no effort selfishly to try to confine Shelley bill business to their own kind of organization. The companies feel that an important social problem and something of a challenge to private enterprise is contained in the Shelley bill and are hopeful that companies very generally will accept the challenge and issue coverage.

The private plan will provide from 10% to 50% greater benefits than the state plan.

#### Plan for Small Employer

A program of off-the-job insurance coverage for firms with less than 10 employees to be protected together with Monasch, San Francisco group consultant.

The plan is underwritten by Continental Casualty and Associated Indemnity. It pays 7½% commission.

Mr. Monasch has incorporated the California Disability Assn. As a member of C.D.A., an employer who hires only a few individuals, enables his employees to be protected together with those of other employer-members of the association, under one of the master policies issued to the association.

The premium is 1% of the first \$3,000 annual wages.

The amount and duration of C.D.A. plan benefits are the same as under the state plan although C.D.A. pay-

ments are more liberal. For example, an employee entitled to \$20 weekly benefits under the state plan and unable to work for 13 days would collect nothing from the state. Under C.D.A. he would collect \$17.16.

It is rumored that Governor Warren, who was recently reelected on both the

Republican and Democratic tickets, will press for the enactment of a law providing compulsory hospitalization and medical and surgical care insurance. He was strongly for the cash sickness benefit plan and it appears to have added to his already great popularity.

## Iago Predicts Poor Showing Till 1949

(CONTINUED FROM PAGE 26)

crease losses, but not likely in the same proportion.

There is no more unsatisfactory form of insurance today than the residence and outside theft policy with \$500 under each of the coverages A and B, yet this is the policy that agents sell. It is unsatisfactory to insured, whose loss is often underinsured. This the agents dislike. Naturally the companies do not like it.

A maximum of \$500 on family jewelry, furs and silverware today is ridiculous. It is almost inconceivable that any family does not have one piece of jewelry in itself worth \$500. Even a \$300 engagement ring purchased five to 10 years ago will cost more than \$500 to replace in today's market.

#### Nothing for Other Property

This leaves nothing for other jewelry and leaves out of consideration silverware and furs. A piece of jewelry recently was lost for which insured some years ago paid \$700. The jeweler who had sold it said it could not be duplicated for \$2,500.

Increases of 100 to 150% in jewelry values are not infrequent. Rises are not uniform, but the big ones generally have been in the minor items of the type the middle class family would own. He urged that agents sell a minimum of \$1,000 under A and \$1,000 under B, or make 100% blanket any policy with only \$1,000.

The resulting larger premiums would knock down the loss ratio eight to 10 points. Some claims would be covered in full that now are covered in part, but more adequate coverage would satisfy customers and provide the companies with relief.

#### Don't Insure "Disappearance"

Mr. Iago pointed out that "mysterious disappearance" is not named in the policy as an insured peril. The insurance company is entitled to call for some evidence of theft. Insertion of the clause doesn't mean the company can't ask for that evidence, but it does mean that in the many borderline cases where there is room for legitimate doubt, that doubt is resolved in favor of insured. He added that when the revision in the policy was made in 1943 there was a lot of high powered advertising as to what companies would cover.

It has been suggested that under a jewelry floater the disappearance of a stone from a ring might be assigned to inherent vice, being due to an unsatisfactory setting.

There is a good deal of dispute as to the approximate proportion of all losses paid caused by the dropping of stones from their settings. Some say 10%, others 5%.

The basic problem remains inadequate insurance. Serious consideration has been given to requiring \$2,000 blanket or \$1,000 under A and \$1,000 under B. The proposal was once rejected on the ground it resembled the requirement that a purchaser buy a couple of bottles of rum in order to get one good bottle of bourbon. It was felt the insurance business was too dignified to resort to a practice that in the slightest resembled the whisky merchandising scheme.

#### M. & S. Broad Form

Probably the most popular burglary policy today is the money and securities broad form, Mr. Iago said. Only on the market five years, it is the most rapidly growing class in the field. And un-

derwriting experience is still satisfactory.

He was asked by an agent why fidelity and money and securities should not be written in different companies. If securities disappear mysteriously and there are two insurers, the insured could be left in the middle while the companies argued about liability. This can't occur if the two policies are in the same company.

#### Fire Cover Is Selling Point

Money and securities provides fire insurance on money and securities, and this is a good sales point for agents in smaller communities where there isn't enough predatory crime to make merchants apprehensive.

Where insured has the minimum out-

side money coverage, with five outside salesmen is it necessary to write the minimum on each of the salesmen, or would the limit on messenger apply to each salesmen, Mr. Iago was asked.

The salesmen can be written on a schedule or blanket basis. The schedule is liked best. It identifies the position. However, with blanket cover, there would be no question of coverage and it should be computed on all employees. The schedule would cover only if the position were properly identified.

#### FWLER TELLS HOW NEW RATING LAWS FUNCTION

F. Addison Fowler, chief of the rating bureau of the Maryland department gave an insight into the operations of his unit. Maryland enacted a rating law in 1945 and it became effective June 1 of this year. He recalled that Commissioner Ensor decided to accept the rate filings that had been in use prior to June 1 without requiring that they be supported by statistical data, but all subsequent filings have been required to have statistical support.

Also it was the policy tentatively to approve rate deviations until supporting information was received, providing the deviations were substantially similar to

(CONTINUED ON PAGE 32)



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## ACCIDENT AND HEALTH

### O'Connor Addresses Joint Meeting in Los Angeles

LOS ANGELES—E. H. O'Connor, managing director Insurance Economics Society, addressing a joint meeting of the Accident & Health Producers Association of Southern California and Accident & Health Managers Club of Los Angeles, reviewed the situation in California in respect to the unemployment disability benefit law and what should be done to prevent state monopoly.

He said practically all the large eastern companies are writing the line or will write it as soon as the details can be worked out. He warned all California insurance organizations to watch that state benefits are not unduly increased. He declared that greater benefits can be paid by the private carriers than by the state and urged the companies to keep up their good work on group coverage and defend their position.

He also said that, given time to gain experience, the companies can give coverage that will satisfy the public demand. He declared that private insurance has not failed to provide complete protection to the public, and that accident and health and group insurance have set a world's record in salesmanship.

### Pattiz to Be President of Beneficial Standard

LOS ANGELES—E. D. Mitchell, president and founder of Beneficial Standard Life, has resigned effective Jan. 1 to become chairman. Oscar S. Pattiz, secretary-treasurer, will succeed Mr. Mitchell as president. Joseph N. Mitchell, son of the company's head, who has recently returned from service, becomes secretary-treasurer. S. Kay-Menzies, who served in the recent war with the British army, has been elected a director.

The company has declared its initial dividend of 6% on preferred stock.

The company was founded in 1940 as Beneficial Casualty, specializing in accident and health insurance, and in 1945 transformed into the present company, writing both life insurance and accident and health. It has more than \$7 million life insurance in force, in addition to a large accident and health premium income.

### Parker Old Line Claim Head

Lyle F. Parker has been appointed manager of the claim department of Old Line Life, Milwaukee. He has been connected with Travelers at Milwaukee for 21 years. After five years as a field

man at Wausau and Madison, he returned to Milwaukee and since 1931 has been assistant adjuster. He is a past president of the Casualty Adjusters Assn. of Wisconsin.

W. G. Traxel has been promoted to assistant adjuster of Travelers at Milwaukee, succeeding Mr. Parker.

### Burford to Cal. Agencies

Larry G. Burford, for 21 years with the Pacific Mutual Life claim department, has resigned to go with the Los Angeles office of California Agencies, handling accident and health and other claims.

### Ill. Mutual Casualty Report

The Illinois department has released a report of an examination of Illinois Mutual Casualty of Peoria, showing assets at June 30 \$732,955 and surplus \$395,104. Examiners state that Illinois Mutual is efficiently managed and has shown a favorable underwriting and investment experience. Policy claims have been settled properly and in an equitable manner.

E. A. McCord is president, C. C. Inman, vice-president, and Miss G. P. Edwards, secretary.

Net accident and health premiums written during the first six months were \$509,919, net losses paid were \$237,581. Total income was \$523,364 and total disbursements \$478,933. The net gain from underwriting and investments was \$26,599. The percent of losses incurred to premiums earned was 49.56.

Life insurance in the amount of \$30,000 is carried on Mr. McCord; \$8,250 on Mr. Inman and \$5,000 on Miss Edwards.

### Schaeffer to Continental

James W. Schaeffer, district manager for seven years of Michigan Hospital Service (Blue Cross) at Kalamazoo, has resigned to join the Robert D. Winn agency of the Continental Casualty, specializing in group and family health and hospitalization plans. His territory will include nine counties in western Michigan.

J. A. Becker, office manager of the eastern railroad department of Pacific Mutual Life, on his 35th anniversary with the company, was presented a desk clock by his associates.

## ASSOCIATIONS

### N. Y. Casualty & Surety Club Christmas Party to Be Dec. 16

NEW YORK—The annual Christmas party of the Casualty & Surety Club of New York will be held at the Roosevelt Hotel, Dec. 16, at 7 p. m. The reception room will open at 6:30 p. m. There will be a well-rounded program of entertainment but no speeches. Because of the size to which attendance at these Christmas parties has grown the executive committee has decided to limit guests to company officers and employees only. This is in line with the intent originally expressed in the club's constitution, to the effect that the club's object shall be to promote social intercourse among officers and employees of casualty and surety companies doing business in New York state and to bring together, occasionally, such officers and employees for entertainment and interchange of views.

The Des Moines Casualty & Surety Club heard Dr. Frank E. Leslie, consulting psychologist for the Iowa state board of control, discuss a survey he had made of the state mental hospitals.

The Insurance Women of New Orleans at a dinner meeting heard Mrs. Maud O'Bryan Romstrom give an account of her activities as a "want ad reporter." The Christmas party will be held Dec. 12.

W. E. DeWitt has acquired the A. C. Adams agency, Gainesville, Ga.

## COMPENSATION

### Minn. Increase Rejected; Rates Cut 5.8% Instead

ST. PAUL—For the third time in a year the Minnesota compensation insurance board has denied an increase in rates and instead of the 2.2% overall increase asked, the board ordered a 5.8% decrease.

In making its decision the board said it took into consideration the upward wage trend with the corresponding increase in premium return to the companies. It also found that the expected increased loss as a result of the broadening of benefits by the last legislature has not developed. Or at least, the board held, the broader benefits have not appreciably affected expense loading.

Members of the rating committee of the compensation rating bureau and other company representatives were surprised and disappointed at the decision of the board. After being turned down a year ago and again last spring at a special hearing, they were hopeful they would be allowed a small increase this time. The companies are faced with further liberalization of benefits at the coming session of the legislature.

### Hearing by Supt. Jackson on Compensation Changes

JEFFERSON CITY — Representatives of both the AFL and CIO unions in Missouri voiced vigorous opposition to proposed changes in the rates and rules for workmen's compensation at a public hearing conducted by Superintendent Jackson.

The insurance companies through the National Council on Workmen's Compensation had suggested a downward revision of the compensation rates of approximately .8% and elimination for premium computation purposes of individual wages over an average of \$100 a week. Upward adjustments for certain classifications are expected to compensate partially for premiums to be lost by this wage limitation. Rules would be revised to provide for voluntary compensation insurance to employees whose average annual earnings exceed \$3,600. The labor spokesmen contended that the proposed changes in the regulations would benefit only the insurance companies.

Proponents of the plan contended it would extend the workmen's compensation protection to persons making more



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than \$3,600 annually and in widening the field would permit a reduction in rates.

The labor spokesmen replied they didn't want rates to employers lowered if that step is taken at the expense of the worker's protection. They urged that the present maximum benefit of \$20 per week be increased to either \$25 or \$30 a week because the cost of living has risen 19 or 20% since the compensation law was passed in 1927.

No further hearings are scheduled. Superintendent Jackson has until Dec. 31, 1946, to announce his decision as to the proposals. He has indicated he would like to obtain the views of individual employers, including employers who are self-insurers. Many of the larger industries of the state carry their own compensation risks.

The point that caused the greatest controversy at the hearing was the suggestion to limit liability of the insurance companies on those employees earning \$3,600 a year or more to only \$5,000/\$10,000 coverage. That is one matter on which Superintendent Jackson would especially like to hear from employers, especially the self-insurers.

### Protest Utah Removal

SALT LAKE CITY—O. A. Wiesley, member of the state industrial commission, in charge of workmen's compensation department, has been notified by the governor that he will not be reappointed when his term expires Feb. 28, 1947. He is a Republican, and was appointed under the new state government setup adopted in 1941, under which all state departments were made bi-partisan, at least in name. No reason was given by the governor for his action. Protests against the commissioner's removal have been sent to the governor by the Carbon County United Mine Workers and Claim Adjusters Assn.

## CHANGES

### Krueger to Local Agency

Eugene A. Krueger has resigned as southern Illinois special agent for Standard Accident to become a partner in the 45-year old Joe H. Jones agency at Elgin, Ill. His insurance career covers a period of 11 years. From 1930 until 1941 he was bond and inland marine underwriter for the Critchell, Miller agency, Chicago, following attendance at Northwestern University. Since 1941 he has been with Standard with headquarters at Vandalia.

The Jones agency has been operated by Hazel Jones since the death of her father several years ago. The agency has represented Standard Accident since 1903.

### Geraghty Berry's Assistant

W. W. Barry, Denver manager of New Amsterdam Casualty, has appointed J. J. Geraghty assistant manager. Mr. Geraghty as special agent has been with New Amsterdam since 1940; three years of which he was in service. He was previously with the Employers group for 11 years.

### O'Rourke Denver Adjuster

John P. O'Rourke has joined the Denver branch office of Commercial Standard as claims adjuster. He has been practicing law in New York City.

After three years in the navy, and later attending Maryland Casualty home office school, J. A. Crawford of Gainesville, Ga., has joined Hayes & Co. of Atlanta in the insurance division.

F. M. Weitzel, local agent at Albion, Neb., at a recent meeting of Albion Lodge No. 78 of which he is a past master, was presented with a 50-year Nebraska Grand Lodge A. F. & A. M. pin.

The C. E. Buckoer agency, New Philadelphia, O., has been sold to Aaron Funk.

## SURETY

### London Lloyds Revises Its HAN (C) Form for Banks

American representatives of London Lloyds are studying the latest revision of the form HAN (C) policy for banks, which is similar to the American companies' bankers blanket bond form 24.

This is a revision of the Lloyds 1941 form and, according to reliable authorities, has nothing startlingly new to offer in the way of competition for American companies. The principal changes in the coverage align the contract to conform with statements made in interpretive letters issued during the war years to the effect that coverage was equally as broad as any similar contracts.

The revisions in the new form place the policy in most respects on equal footing with American forms and are said to be slightly broader in some minor features.

For the past five years, Lloyds was unable to revise and rewrite its forms and outstanding policies because of the war problems including scarcity of paper and printing supplies.

### Many Butte Riot Suits

Nine suits asking damages totaling \$135,025, have been filed against Sheriff Al McLeod and his surety, Standard Accident, charging that he failed to prevent destruction by mobs in the riots at Butte, Mont., last April. The latest suit to be filed was that of Mr. and Mrs. Roy C. Garrett who allege that McLeod and his deputies stood idly by and allowed the riot to continue and took no action to suppress it. They claim their home was damaged to the extent of \$597 and they ask exemplary damages of \$10,000.

### Schmidt Quick on Gavel

The Surety Underwriters Assn. of Chicago religiously eschews business at its annual dinner gatherings in November and Ellis P. Schmidt, Fidelity & Deposit, the new president, did the best job of eschewing on record the other evening. He got all the business over within 10 seconds flat. He had E. J. Moroney, U. S. F. & G., stand on a chair and wave in the air a paper that was the report of the nominating committee and the election was completed on motion of W. H. Hansmann, Fidelity & Deposit, that the secretary cast a unanimous ballot. H. J. Jeffery, who was the president until he entered the local agency field recently, gave a two-second message, and the group was free to return to its concentration on sociable activities.

One of the guests was Charles Peterson, assistant vice-president of Maryland Casualty, who was returning from the convention of the U. S. Savings & Loan League at Milwaukee.

### Fields Before Boston Claim Men

Ernest Fields, vice-president and general counsel of U. S. Guarantee, addressed the Boston Surety Claim Assn. on "The Value of a Confession in Fidelity Bond Cases." He pointed out that confessions obtained during the defaulter's employment are binding upon the surety and confessions obtained after termination are not. Discussion followed.

### Florida Dept. Examiner Heads National Standard

J. O. Hall, for a number of years an examiner with the Florida department, has resigned to become president of National Standard. Prior to joining the department, he was with the internal revenue bureau in Florida and president of the Bank of Green Cove Springs. Domiciled in Orlando, National Standard is licensed in Florida to write ordinary and industrial life and accident and health.



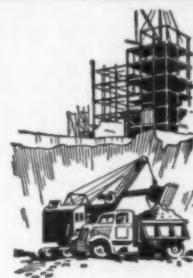
**SALES HELPS that really help sell**

Planned promotions on every type of casualty insurance makes a well rounded sales program easy for Buckeye Union agents. Personal contacts help build local reputations and up-to-date sales helps get new business. Your inquiry will also receive individual attention.

**A STOCK COMPANY**

**THE BUCKEYE UNION CASUALTY CO.**  
HOME OFFICE COLUMBUS 16, OHIO  
SERVING THE 6 STATES OF THE BUCKEYE UNION

**AUTOMOBILE  
PLATE GLASS  
GENERAL LIABILITY  
BURGLARY**



## Surety Bonds

Already post-war construction is well under way. As soon as sufficient materials are available, the country will see the greatest building boom in history. Agents who represent the Trinity Universal will be prepared to meet the greatly increased demand for Surety Bonds.

AUTOMOBILE • GENERAL LIABILITY • BURGLARY  
PLATE GLASS • COMPENSATION • FIDELITY  
and SURETY BONDS • FIRE • INLAND MARINE

## TRINITY UNIVERSAL INSURANCE CO.

HOME OFFICE, DALLAS, TEXAS • EDWARD T. HARRISON, President

## COMPANIES

### Liquidator's Report on Franklin Mutual

The liquidator's first report on Franklin Mutual of Chicago, issued by the Illinois department, covers 367 of the

## WANT ADS

Experienced fidelity, surety and burglary underwriter for Chicago home office of large mutual casualty company. Excellent opportunity for a man with necessary experience. Salary open.

Write J-45,  
c/o National Underwriter,  
175 W. Jackson Blvd.,  
Chicago 4, Ill.

### CASUALTY FIELDMAN

There is some young man with a good casualty background in the middle west who wants to make a change. The man we want should be able to locate in Columbus, Ohio and travel the state of Ohio all week. If you can fill the bill and produce results, we have a real proposition to offer. We are a young, fast-growing mid-western company with progressive ideas. Address J-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Compensation and Liability underwriter. Splendid opportunity for experienced underwriter in home office of large Chicago Casualty company. Address H-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### SPECIAL AGENT WANTED

Casualty and surety lines for Wisconsin territory by bureau casualty company. Permanent position and opportunity for advancement. In reply give age, experience, salary expected and state your needs for living accommodations. Milwaukee is branch office location. Address J-50, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Casualty Special Agent for Indiana, well versed in Casualty, Compensation, Burglary, etc. Excellent opportunity for qualified representative in a growing organization. State age, experience and location of residence. Address J-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE

Assistant claims manager for home office of casualty company. Legal and insurance background. Extensive claims experience in both field and home office. Outstanding administrative record. Address J-54, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### AVAILABLE

Competent and experienced claim executive desirous of making lucrative connection. Wide experience as department head. Presently employed and can furnish best of references. Will go anywhere. Address J-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

### BONDING CLAIMS ATTORNEY AVAILABLE

Experienced in all bonding lines; knows home office and branch operations. Address J-63, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

931 claims which were filed in 1938 when the company, which wrote taxi business, was ordered liquidated by the superior court of Cook county, after an attempt at rehabilitation had failed.

On the claims included in the first report \$880,343 was claimed of which \$38,623 was recommended for allowance by the liquidator. Previously allowed were five claims for \$3,322. Claimants desiring to file objections to the recommendations of the liquidator must file them with the clerk of the superior court before Dec. 28, 1946. Total claims against the company amount to \$2,818,583. There are 569 claims remaining to be reported.

Breakdown of the first report shows that first party loss claims amounted to \$45,521 on which \$3,860 was allowed. Third party claims amounted to \$579,085 on which \$25,649 was recommended. General claims totaled \$34,699 on which \$9,113 was recommended. Nothing was recommended on \$221,044 in claims on guarantee capital share certificates.

### Issue Examination Report on Country Mutual Casualty

Country Mutual Casualty of Chicago at Dec. 31, 1945, had assets \$4,337,967 and surplus \$874,915 according to the report of an examination released by the Illinois department. The examiners state that the bonds and stocks are readily marketable with no bonds in default as to principal or interest. The company is efficiently managed and has shown a favorable underwriting experience. Country Mutual Casualty is a subsidiary of Illinois Agricultural Assn. along with Country Life and Country Mutual Fire. Management of Country Mutual Casualty is under the direction of Illinois Agricultural Service Co.

All automobile policies are written on a six months' plan. The report contains analysis of the rate setup showing that for comparable risk in the remainder of state territory, the automobile rates first year for full cover are 13.8% below manual and for renewal are 32.86% below. Territory 7, the comparable figures are 18.65% and 36.63% and in Chicago suburban, they are 31.7 and 46.79% below.

One of Country Mutual's specialties is the farmers and employers liability contract. There is a minimum initial deposit of \$10 and the cash premium deposit is computed at the rate of \$5 per six months of hired labor. At the end of each semi-annual period, the employer furnishes a labor report which is the basis for assessments at the rate of \$1.50 for each six months for administrative costs, plus 50 cents for each month of hired labor.

### Livestock Insurance

Livestock insurance is written for 4-H Club members under master policies issued to the county farm bureaus. Insurance is written on calves against death from any cause. The rate is 6% for a policy running for a year or more and 3% for a six months policy.

Dividends amount to 10% on auto policies in force 1½ years, cargo policies after one year and employers liability policies after 2½ years. There is a 20% dividend on auto policies in force after 2½ years, employers liability policies after 5 years and cargo after two years. There is a 50% dividend on comprehensive farm bureau liability policies and motor fuel tax bonds.

General and special agents are compensated by a percentage of the policy fee. The farm bureau receives 12½ cents for each automobile and each farmers and employers liability policy renewed. It gets 2½% on cargo insurance renewals.

Premiums written in 1945 were \$3,428,814, losses paid \$1,495,114, premiums earned were \$3,284,688, losses incurred \$1,860,516, loss adjusting expenses incurred \$192,206, underwriting expenses incurred, \$397,031, gain from underwriting \$834,934.

Assurance of America, New York, has been licensed in Ohio.

## DEATHS

### Bert G. Wills, Fireman's Fund Vice-president, Dies

SAN FRANCISCO—Bert G. Wills, vice-president of the Fireman's Fund group, died from a heart attack Sunday at his home at San Mateo. He had been at his office all of the previous week. His age was 64.

Mr. Wills, whose first experience was as a railroad adjuster, entered insurance in 1912 at Los Angeles with Royal Indemnity. He joined Fireman's Fund in 1917 as superintendent of the liability department. In 1921 he was named manager of the Los Angeles branch and in 1928 returned to the head office as assistant secretary in charge of the automobile department.

When Fireman's Fund Indemnity was organized he became vice-president and later was elected vice-president of all the companies in the group.

He was widely known for his aggressive interest in traffic safety. He was a founder of Western Safety Council and was its first chairman in 1935. He was also active in San Francisco Safety Council and he served on the governor's state traffic advisory committee.

He was born at Hillsboro, Ore., and attended Oregon Agricultural College.

John J. Hawk, 54, an attorney for Fidelity & Casualty in St. Louis, died following a heart attack in the company's office there.

### Gives Picture of How Md. Rating Law Operates

(CONTINUED FROM PAGE 29)

those used prior to June 1. The objective was to avoid violent adjustments in past practices during the transition period.

The first important general revision of rates was for automobile B.I. and P.D. on private passenger cars. The filings were received June 10 and the rating bureaus asked for an increase of about 20% on B.I. and 29% on P.D.

### Allowed Increase of 10%

The bureau concluded that the B.I. increase was not justified and after two informal conferences an increase of 10% was approved.

The next filings to pass upon were

those for compensation and plate glass. Just recently the department approved an increase of \$2 in the minimum premium for automobile fire and theft and comprehensive, and there have been numerous filings by independent insurers. All filings after approval are public information and may be examined at Mr. Fowler's office in the Davison building.

At present the bureau is completing arrangements to compile statistics as provided in the law.

The bureau has had frequent contact with agents in following up reports of violations from the Maryland rating bureau. Such followup would have been unnecessary, he said, if correction of errors had been made upon receipt of the violation notice from the rating bureau and if the violation notice had been attached to correcting endorsements.

Commissioner Ensor's policy has been to undertake to compose differences and to accept compromises when elements of judgment are involved.

### National Assn. of A. & H. Underwriters Hits Rate Regulation

Opposition to rate regulation of the accident and health business has been taken up by the National Assn. of Accident & Health Underwriters in a resolution adopted unanimously by the executive board.

The association declares itself in favor of general regulation of the business as now provided, including that pertaining to standard provisions, approval of policies, anti-discrimination, rebate and special statutes for group, blanket, franchise and industrial policies, but declares it is "unalterably opposed to the regulation of rates and premiums in accident and health insurance."

Among the arguments against rate regulation, the resolution cites the following: It would tend to stifle competition, which now produces A. & H. coverage at the lowest possible cost. The various kinds of coverage make rating impractical. Standardization and freezing of A. & H. premiums through rate fixing are not in the public interest and are contrary to the principles of public law 15. Any variation in rates between states would cause "bootlegging" and discontent by policyholders who move into a low premium state while holding an old policy. Different rates for different states on personal insurance would make company operations expensive and cumbersome, would make company operations expensive and cumbersome, would impose bureaucracy upon the A. & H. business, stifling competition, causing higher prices. Finally, such regulation would make the business dependent upon the whim or the personal ideas of an insurance commissioner.

## AMERICAN RE-INSURANCE CO.

Robert C. Ream, President

99 John Street, New York 7, N. Y.

DECEMBER 31st, 1945

CAPITAL . . . . .	\$4,000,000.00
Surplus . . . . .	8,598,916.48
Voluntary Contingency Reserve . . . . .	750,000.00
Surplus to Policyholders . . . . .	\$13,348,916.48
Reserve for Losses . . . . .	6,537,844.62
All Other Liabilities . . . . .	4,606,956.09
<b>TOTAL ADMITTED ASSETS</b>	<b>\$24,493,717.19</b>

NOTE: Securities carried at \$550,000.00 in the above statement are deposited as required by law.

CASUALTY . FIDELITY . SURETY  
Re-Insurance



# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Iowa Federation for All-Industry Bills; Barns Head

DES MOINES—The Insurance Federation of Iowa at its biennial meeting went on record as favoring the all-industry insurance bills and increased salaries for the insurance commissioner and members of his staff.

The federation stated that the compensation received in the past by those supervising the insurance department had been entirely inadequate and "we urge that the salary of the commissioner and the members of his staff be materially increased in keeping with the responsibilities of the department." The commissioner's salary is set by the legislature.

On the all-industry bills, the federation adopted a resolution which stated: "The Insurance Federation of Iowa favors the principle of continued supervision of insurance by the several states and to that end endorses the new rating laws known as the all-industry bills."

### No Action on Other Legislation

The meeting also discussed other proposed legislation, but no formal action was taken. These included the New York standard fire policy, changes in the reinsurance section of the Iowa code, and a change in the present agents licensing law which would permit the agent to operate on a perpetual basis so long as he remains in the business instead of issuing licenses on an annual basis.

D. Wesley Barns, Des Moines manager of U. S. F. & G., was elected president, succeeding James H. Bunten, state agent of Fire Association. Vice-presidents named are Howard Burleson, Cedar Rapids local agent; H. B. Carson, president Mill Owners Mutual Fire; Arthur E. Holt, state agent Aetna Fire; A. B. Loran, secretary of State Automobile; John W. Gunn, president Employers Mutual Casualty, and George W. Young, secretary Inter-State Business Men's Accident. Henry H. Haynes, "Underwriters Review," was reelected secretary-treasurer.

Mr. Bunten was named a director along with Philip Jester of Des Moines and Leon Morse of Council Bluffs, both local agents, and Richard Mittelbush, Security Fire of Davenport.

### Lessen Mich. Hotel Loss

GRAND RAPIDS, MICH.—Correction of hazards, by order of the state police last December, including protection of the elevator shaft, was credited with having averted a major disaster in connection with the fire in the 81-year-old Cody hotel here. The blaze, believed to have started from a short circuit in a waste storage room at the base of the elevator shaft, caused damage estimated at \$100,000, more than \$50,000 of it to the building.

### Name K. C. Nominators

Cliff Johnston is chairman of the nominating committee that will report at the annual meeting of the Insurance Agents Assn. of Kansas City Dec. 17.

### Oppose Minn. Surcharge

ST. PAUL—In the past 6½ years the 2% surcharge on fire premiums in five Minnesota cities, Minneapolis, St. Paul, Duluth, St. Cloud and Winona, has netted \$612,831, according to the insurance department. There has been a

steady increase in collections since 1940, when the surcharge netted \$78,003. In the first six months this year it netted \$63,841 and at this rate the total for the year will run well above \$100,000.

There has been a growing opposition to this tax in some quarters and it is possible an effort will be made to abolish it as an unfair tax against purchasers of fire insurance.

### Confer Dec. 6 on Iowa Legislative Program

DES MOINES—The executive committee of the Iowa Assn. of Insurance Agents will meet at Cedar Rapids Dec. 6 to take up its legislative program and other matters, President Philip Jester announces.

The committee is expected to determine whether it will sponsor an agents licensing law and other legislative proposals. It will also discuss the employment of a full-time secretary-manager, organization of the district educational meetings and the association's membership program.

B. W. Hopkins of Des Moines has been appointed chairman of the legislative committee. He is the son of B. C. Hopkins, former president of the association. Other members of the legislative committee are Fred W. Tesmer, Waterloo; George Cockburn, Cedar Rapids, and W. F. Grandy, Sioux City. Mr. Tesmer was elected to the legislature at the recent election.

### Girard at Evansville

Paul J. Girard, Hartford Accident, Chicago, addressed the Evansville (Ind.) Assn. of Insurance Agents on "Burglary Insurance and Other Forms of Casualty Insurance." A forum followed Mr. Girard's address.

### Minn. Regionals to Meet

J. Harry Lewis, state agent of St. Paul F. & M., will give an analysis of the personal property floater at a meeting Dec. 5 of the Southwestern Minnesota Agents Regional Assn. at Worthington. There will be an open forum on casualty coverage changes and the new model rating bills will be discussed by officials of the state association.

The Central Minnesota Agents Regional will meet at St. Cloud Dec. 17 to elect officers. President George Thompson and Executive Secretary George Blomgren of the state association have been invited.

### Omaha Executives' Dinner

The insurance executives division of the Omaha Chamber of Commerce will hold its annual duck dinner Dec. 4. Sam Howell will provide ducks and Frank Martin is arrangements chairman.

### Williams to Toledo Agency

Lt. Col. Rhys E. Williams, recently discharged from the army, has joined the James E. Kirk Co., Toledo, to head its general insurance department. He has had 20 years of insurance experience in Ohio.

### Report on Country Mutual Fire

Country Mutual Fire of Chicago had assets of \$5,273,107, special reserve for hail excess losses \$500,000 and surplus \$1,652,915 at Dec. 31, 1945, according to the report of an examination by the Illinois department. This is an adjunct of Illinois Agricultural Assn. and was formerly known as Farmers Mutual Reinsurance. J. H. Kelker is the manager.

Agents receive a commission of

11½% on fire and wind business and 9½% on hail. The general agent in each local farm bureau organization receives an overriding of 1½%. Dividends have been 20% on fire, 10% on wind-storm and the rate has varied on hail. It was 40% in 1945.

Fire insurance premiums in 1945 were \$566,678, extended coverage \$16,321, wind \$194,847, hail \$1,771,128. Losses paid were fire \$187,561, extended coverage \$598, wind \$129,077 and hail \$404,849. There was a gain from underwriting of \$1,286,634.

### Marine Course in K. C. Kan.

The Kansas City (Kan.) Assn. of Insurance Agents has launched an inland marine course with C. B. Burr of Central Surety Fire as instructor and discussion leader. A joint advertising and publicity program is being presented by the Owens Advertising Agency for consideration at the next meeting. Alpha H. Kenna, new executive manager of the Kansas association, will speak Dec. 9.

### W. E. Stewart with Mo. Bureau

Walter E. Stewart, son of E. J. Stewart, chief engineer of the Kansas Inspection Bureau, has joined the Kansas City office of the Missouri Inspection Bureau in the electrical inspection department. His father started with the Kansas bureau as an electrical inspector. Young Stewart served as electrician mate in the navy.

### St. Louis Buyers Hear Lawyer

ST. LOUIS—Woodruff Marsalek substituted for Julian C. Jaekel of the same law firm as speaker at a luncheon of St. Louis Insured Members Conference of Associated Industries of Missouri on legal liability.

### NEWS BRIEFS

The Tymo Club of Milwaukee is inaugurating a courtesy driving campaign in the city and county in charge of a committee headed by Urban Krier, executive secretary Wisconsin Assn. of Insurance Agents.

Roy J. Eide, formerly with the L. E. Ellis & Co. general agency, Des Moines, has opened his own agency there. He has been in the insurance business 27 years, 14 years with Ellis & Co.

Cheney Prouty, a past president of the Kansas Assn. of Insurance Agents, is president-elect of the Kansas City (Kan.) Kiwanis Club.

John C. Hargrave, local agent, has been elected Kiwanis president at LaPorte, Ind.

Commissioner Johnson gave a detailed explanation of the model rating bills at a dinner in Minneapolis of the Insurance Buyers Assn. of Minnesota.

M. P. Griffin, Milwaukee, state agent of Connecticut Fire, discussed "Personal Property Floaters" at the monthly meeting of the Insurance Women of Racine. A Christmas party will be held Dec. 16.

Insurance Women of Toledo is sponsoring a class on fire insurance, to be conducted by Robert Falconer of the Plenton-Cavanaugh Co.

The Kansas City Assn. of Insurance Women heard a book review "Please, No Paregoric" by Mrs. Raymond Gephord. Mrs. Dorothy Garrett, Koenigsdorf agency, the president, presided. The Christmas party will be Dec. 16. The association is sponsoring a class in public speaking.

The Mable Granger agency, Liberal, Kans., has been taken over by Miss Mary Bowles, who has long been associated with the agency, due to the serious illness of Miss Granger.

The Minneapolis C.P.C.U. chapter heard Edward F. Holloran, adjuster for Hartford Fire, discuss the Minnesota standard fire insurance policy and the application of special insurance statutes. Wm. Peet, local agent, is chairman.

Manny Thacker, until recently manager of the insurance division of the R. A. Franke agency, Indianapolis, has formed his own agency.

## SOUTH

### Richmond Insurance Club New Organization There

RICHMOND—The Insurance Club of Richmond has been organized to promote closer cooperation among insurance men of different classes. Marshall C. Speight, executive special agent of Virginia F. & M. is president; Harry N. Levey, manager National Surety, first vice-president; Robert I. Boswell, local agent, second vice-president; Julius Jones, Aetna Fire, secretary; J. Earle Dunford, manager Virginia Assn. of Insurance Agents, treasurer.

Directors include W. Freeman Dance, Jr., Fireman's Fund; W. P. Hundley, Firemen's, and R. Coleman Rice, Phoenix of London, representing the Stock Fire Insurance Field Club of Virginia; Fred C. Robertson, Fidelity & Deposit; C. G. Burrows, Fidelity & Casualty, and D. Orville Lahy, Great American Indemnity, representing the Casualty & Surety Underwriters Assn. of Virginia; J. H. Gardner, Ralph S. Goode and Stuart Ragland, representing the Insurance Exchange of Richmond.

The club plans to meet monthly for discussion of mutual problems.

### Dallas Loss Situation

DALLAS—Fire insurance premiums in Dallas will go above the three million dollar total in 1946 for the first time, President G. F. Cox of the Dallas Insurance Agents Assn. predicts. The average Texas increase is about 32%, but Mr. Cox feels that the increase in Dallas will be above this average. If the losses can be held under \$1 million for this year, and the losses have been approximately \$700,000 for the first 10 months, Dallas should be released of its present 5% penalty on March 1.

While Dallas has been successful in holding down fire losses, other parts of the southwest have had heavy losses since Fire Prevention Week. Lightning struck a barn near Corsicana destroying 3,000 bales of hay and other farm crops and implements with a total loss of \$12,000. The bottom fell out of a turpentine jar in Cushing, Okla., and started a \$70,000 fire in the Long-Bell Lumber Co. and the Lauderdale machine shop. At New Mexico A. & M. College, a \$30,000 fire which destroyed two army barracks, being used as dormitories, was blamed on a defective water heater.

A \$40,000 fire loss to the Helms Lumber Co., Houston, was blamed on a faulty light switch and in the same city a careless smoker dropped a cigarette in a pile of excelsior causing a \$13,000 furniture store loss. Static electricity caused \$25,000 damage to a gin and warehouse at Fort Hancock. An oil field explosion near Athens, Tex., started a fire which caused \$200,000 damage.

### Reductions for Two Communities

CHATTANOOGA — Ira P. Jones, manager of the Chattanooga branch of the Tennessee Inspection Bureau, has announced a 10% reduction in fire rates in Red Bank and White Oak communities following the establishment of local fire departments and completion of water systems in those areas.

### NEWS BRIEFS

Herbert N. Jordan, local agent of Nashville, has been elected president of the Nashville Real Estate Board.

Gordon Gambill, local agent, has announced his candidacy for mayor of Chattanooga at the election in March.

James P. Brown has opened a new agency at Montezuma, Ga.

## PACIFIC COAST AND MOUNTAIN

### Mortgage Lenders Fight Washington Coercion Clause

SEATTLE—An anti-coercion provision in the proposed Washington insurance code drew heavy fire from banking and financial institutions engaged in mortgage loan business at the last day of code hearings. It was charged that the provision would undermine the collateral rights of money lenders and that lending institutions must write the insurance to be certain their interests are being protected.

Irwin Mesher, executive secretary of the Washington Assn. of Insurance Agents, asserted there has been widespread demand from agents for legislation to correct abuses in insurance transactions effected at the time loans are completed. He referred to short-rate cancellation penalties suffered by borrowers when the lender insists on writing insurance to replace existing coverage. To protect the collateral rights of lenders, he said, the independent agents are willing to amend the provision to give the lender a reasonable choice as to insurer.

Special Deputy Robert D. Williams stated the department receives numerous complaints that lenders have forced borrowers to cancel existing policies short rate and have replaced the coverage with new policies. He asserted the department doesn't care who gets the business as long as the public does not suffer. Mr. Williams suggested amending the provision to conform with a law in New York which prohibits coercion, but gives the lender reasonable choice.

It was finally decided to have a com-

mittee representing the various interests confer with the department in an effort to work out a compromise.

Several years ago a bill was passed by the legislature barring coercive practices, but it was vetoed by the governor.

#### Aircraft Made "Surplus Line"

All types of aircraft insurance, with the exception of well-defined interstate operations, are being brought back under the surplus line law under the new code.

The department originally had granted an exception from rate filing as well as surplus line filing requirements. The first draft placed aircraft in the same category as ocean marine.

At the hearings the department was urged by carriers to bring aircraft under the law. They stated they felt they were entitled to protection from non-admitted competition. Stuart C. Thompson, chairman of the code committee of the Northwest General Agents Assn., was outspoken in demanding elimination of the exemption. I. C. Rowland of Hansen & Rowland, Tacoma general agents and surplus line brokers, contended that because aircraft hazards so closely parallel those of ocean marine the exemption should be retained in the surplus line law.

#### Delete "Inland Marine"

If the department adheres to its present thinking, the term "inland marine" will not appear in the code. Mr. Williams has said the department decided to steer clear of the term because it has been unable to find anyone who can define it.

The department is attempting to define first ocean marine and foreign trade insurances, and grant the commissioner powers to promulgate rules and regulations, which will enable him to

invoke the nationwide marine definition interpretations whenever desired.

In the definition of ocean marine there appears, in addition to the usual wording, the following clause in the code:

"Insurance of personal property and interest therein \* \* \*, while being prepared for and while waiting shipment, and during any delays, storage, transshipment or reshipment incident thereto."

Objection has been voiced to this definition because it is considerably broader than the nationwide definition and could lead to abuses by the writing of fire and other controlled lines under an ocean marine cover. To solve the problem posed by eliminating inland marine from the code, it has been suggested that the foregoing section be eliminated and that the commissioner be empowered to make suitable rules and regulations, including exemption from rate filing, for classes not usually susceptible to schedule rating.

### Fireman's Fund Honors Southern Cal. Veterans

LOS ANGELES—Chester A. Swift, Albert E. Treiber and Emmet D. O'Brien were presented watches for long service by Leonard Backus, manager of the southern California department of Fireman's Fund.

Mr. Swift was employed in 1902 in the home office fire department. He was appointed special agent for southern California in 1910 and was made manager of the fire department in Los Angeles in 1938. In years of service he is second oldest employee of the company on the Pacific Coast.

Mr. O'Brien joined the company in 1920 as a staff adjuster in the home office. He was transferred to Los Angeles in 1926 as claims manager.

Mr. Treiber joined the company in 1921 in the home office fire department and was transferred to Los Angeles in 1929. He was appointed special agent in 1938, and is the senior special agent in southern California.

### Daly Gets Phoenix Group

The Daly General Agency of Denver has become general agent in Colorado and Wyoming for Phoenix Assurance, Columbia, Imperial and Phoenix Indemnity.

### 11 Ore. Insurance Solons

Insurance will be well represented in the 1947 Oregon legislature by 11 agents, four in the senate and seven in the house. They are: Senate, Jack Lynch and Walter J. Pearson, Portland; E. R. Fatland, Condon, and C. H. Zurcher, Enterprise; house, J. O. Johnson, S. S. Pier, R. E. Duniway, Harvey Wells, Portland; Earle Johnson, Corvallis; Max M. Landon, Sweet Home; R. C. Frisbie, Baker.

### Code Talk at Spokane

Roy A. Redfield, well-known insurance attorney, addressed the Spokane Insurance Assn. on the proposed Washington insurance code. R. J. Martin reported on the recent code hearings at Spokane.

### Mansfield Joins Brother

A. G. Mansfield, former captain in the third army under General Patton, has joined Mansfield & Co., Portland, Ore. His brother, Charles Mansfield, is president of the agency, which specializes in casualty and suretyship, while operating a general insurance business. A. G. Mansfield recently completed a refresher course at the home office of Maryland Casualty.

### Montgomery in New Post

Harry V. Montgomery, former assistant general of Aetna Life in San Francisco before entering the army, has joined French & St. Clair, San Francisco brokerage firm, as manager of a newly established life and disability department.

He will service the firm's clients under the new California unemployment compensation disability act and also develop further group life, disability and hospitalization programs for clients.

Mr. Montgomery first went to San Francisco in 1929 as general agent of Missouri State Life. Later he became general agent of State Mutual when it entered California. He joined the army 4½ years ago as a captain and recently returned from Japan as a lieutenant colonel.

### Cal. Premium Tax \$14½ Million

SAN FRANCISCO—Insurance premium tax collectible in California on 1945 business will total \$14,468,298, an increase of more than \$1 million, according to Commissioner Garrison. The tax rate was reduced last year from 2.5% to 2.45%.

### Fort Collins Record Broken

A disastrous blaze that swept three buildings at Fort Collins, Colo., caused damage estimated in excess of \$100,000 and knocked out one of the outstanding fire prevention records among American cities of its size. The blaze broke out in the basement of an apparel store and with smoke and water caused extensive damage to adjoining dry goods and men's wear stores.

In April, 1946, Fort Collins received a national award from the U. S. Chamber of Commerce for its fire prevention record in 1945, when the fire loss was \$2,832 or 22 cents per capita. For more than 15 years Fort Collins has led all Colorado cities in fire prevention.

### NEWS BRIEFS

Commissioner Garrison of California has authorized Coast Mutual Fire to issue a contribution certificate for \$126,945 to the Cardinal Investment Co.

A new claims organization headed by James F. Norris has been opened in Portland, Ore., under the name of Adjusters Service Co. to handle claims in all types of insurance.

John H. Reece, local agent at Pueblo, Colo., who was appointed last spring by the governor to serve as county commissioner for an unexpired term, has now been elected commissioner for a regular term. He was an agent for about 10 years before enlisting in the army where he served more than three years, being discharged in November, 1945.

C. H. Williams, insurance manager for Carroll, Hillman & Hedlund, Seattle local agency, suffered a fractured vertebra in an automobile accident and is confined to Providence Hospital. He is in a cast down to the waist and will probably be confined to the hospital until the end of December.

Pace W. Bartlett, recently appointed inland marine manager of the John D. Boyle general agency at Los Angeles, has decided not to move to southern California, due to the housing situation, and has joined the San Francisco city department of Phoenix Assurance.

George Stonebraker, formerly of Trinidad, Colo., has purchased the Manley agency at Hobbs, N. M.

Glenn Bone, former manager of the insurance department of the Carter Insurance Co., Carlsbad, N. M., has established his own agency there.

Jake Hinch, formerly with the Foundation Investment Co., Roswell, N. M., has established his own agency there.

Frank F. Morger, former county clerk, has opened an insurance and real estate office in the Grand Union hotel, Ft. Benton, Mont. He is operating as Morger's Realty & Insurance Co.

### Predict 35,000 Auto Deaths

Statisticians of Travelers predict that deaths in motor vehicle accidents will reach 35,000 by the end of the year, judging by provisional reports for the year to date. The company points out that traffic deaths which soared to all-time high of nearly 40,000 in 1941 and dropped to 28,500 in 1945, apparently were increasing to "an appalling normal."

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## IN THE CANADIAN FIELD

### To Cut Assessment Under Manitoba Responsibility Act

WINNIPEG—The Manitoba government, effective Jan. 1, proposes to reduce by one-half the assessments charged under the provincial safety responsibility law. Tied in with the responsibility law is an unsatisfied judgment fund, to which all motorists, when taking out licenses this year, paid an additional \$1 fee. These payments were to make up a pool from which claims would be paid to those injured in car accidents and who were unable to collect damages because the offending motorist lacked either the money or insurance to pay the claim.

It was provided that the unsatisfied judgment fund should not be allowed to exceed \$100,000. It is now in excess of this figure; and although the fund has been in existence for about 10 months there has not been one claim against it.

The financial responsibility law and the unsatisfied judgment fund have been an unequalled success, Attorney General McLennan states. He points out that before the enactment of the law, only 25 to 30% of Manitoba motorists were insured. A conservative estimate now is that at least 80% are covered.

He says the only conclusion to be drawn from the fact that no claims have been lodged against the unsatisfied judgment fund is that financial responsibility is working.

### Form New Lloyds Agency

Canada-United Kingdom Underwriting Agency has been established in Montreal to place marine and non-marine business in Canada with certain underwriters at Lloyds. It will accept business only through licensed brokers and agents. Chairman is Gaston Pratte of Quebec and vice-chairman Harvey Bowring of London Lloyds.

### See Auto Hike in Canada

TORONTO—Hikes in automobile rates in Ontario and Quebec to match demands of Canadian Underwriters Assn. are understood to have official blessing and are expected to go into effect shortly. C.U.A. is asking 30% increase in Toronto, Hamilton and Windsor. Agitation for higher rates is even more pronounced in Quebec where the claims ratio is worse. Taxicab experience has been so bad in the cities that considerable rate boosts are expected.

### J. M. Weir Advanced

J. M. Weir, who has been an inspector with Hartford Fire, hereafter will supervise the underwriting department for all Canada except Ontario. E. J. Molden becomes field representative and inspector for western Ontario and V. Saunders for eastern Ontario.

### Compulsory Auto Plan Profitable

REGINA—Saskatchewan's compulsory automobile insurance plan has been so profitable that rates are due for a reduction in 1947, according to O. W. Valteau, provincial welfare minister in charge of the scheme.

A minimum profit of \$750,000 is looked for. It is expected that the compulsory insurance tax will yield \$1,300,000 to \$1,400,000 and administration costs will not exceed \$200,000. Thus far, fewer than 1,400 claims have been paid and it is not expected that total claims for 1946 will exceed \$400,000.

### Expect Saskatchewan Expansion

TORONTO—Expansion of government insurance in Saskatchewan into other lines is expected within two weeks on the heels of the announcement that this year's fire and casualty premiums paid to the province will exceed \$1,500,000. The success of the government

venture has caused considerable alarm in Canadian insurance circles. Many institutions must buy from the provincial government if they wish to continue government grants, and a large volume is also received from farms and the numerous cooperative organizations. Income from compulsory automobile insurance will be about one million.

Thomas A. Wheatley has joined Canadian Aviation Insurance Managers as underwriter at Montreal. This organization is manager of Aviation & General and of Canadian Aircraft Insurance Group, which is an affiliate of U. S. Aircraft Insurance group.

Mr. Wheatley started with North British & Mercantile in 1931 and served in the war as a pilot in the Canadian army. Since returning he has been a casualty underwriter for North British.

## EAST

### F.C.A.B. Names C. J. O'Leary Manager at Bangor, Me.

F.C.A.B. has appointed Charles J. O'Leary as manager at Bangor, Me. He was formerly assistant manager there and replaces Lester B. Howard, who was advanced to general adjuster last January.

Mr. O'Leary joined the adjusting staff at Bangor in 1933 after 11 years with Travelers in the Maine territory. He has a wide experience in the handling of all types of losses and is well-known throughout the northern Maine territory.

### Square Club Venison Dinner

NEWARK—The Insurance Square Club of New Jersey will hold a venison dinner at Blairstown, N. J., Dec. 9. Lee E. Maines will be the entertainer. This is an annual affair.

### Set Essex County Schedule

NEWARK—The Essex County Insurance Agents Assn. has announced its schedule of monthly meetings for the first half of 1947. The annual meeting will be held May 22, preceded by a dinner.

### NEWS BRIEFS

John W. Barry will have charge of the new life insurance department of the Woodward agency, Niagara Falls. Formerly with Equitable Society at Lockport, N. Y., he recently was discharged from the army air forces.

In recognition of 25 years' service, Hamilton White of Syracuse was guest of honor at a dinner given by Yorkshire. A certificate was presented to him by H. T. Silversides, deputy U. S. manager.

The Hudson County Assn. of Insurance Agents will hold its Christmas party Dec. 19 in Jersey City.

## MOTOR

### Collision Rate Increase Is Granted in Virginia

RICHMOND—The Virginia corporation commission has approved a collision rate increase of 25% for cars not over 18 months old; 43% for those from 18 to 30 months old, and 46% on those more than 30 months old. This is approximately what the companies asked in filing a petition for increases some months ago.

The commission also approved the new three-way classification plan for commercial vehicles.

Approved new rates for Diesel, gas

and steam commercial vehicles will result in a small reduction in fire rates for cars falling in "A" schedule; a slight increase for those in the "E" schedule; and 25% boost for those in the long distance group.

No action was taken on a proposal for increased rates on truck fleets, action being deferred pending the filing of additional data by the companies.

### Heavy Car Loss in Flash Fire

KNOXVILLE, TENN.—Eight new automobiles and 20 old ones belonging to customers were destroyed in a flash fire which destroyed the second story of the Morton-McCrary Motor Sales Co., with an estimated total loss of \$100,000. This loss was fully insured through the Hurley, Wright & Powell agency. The fire started from an explosion of a can of lacquer thinner and the roof of the building collapsed in five minutes.

Frank E. Covell has been appointed to succeed Chester W. Loomis, resigned, as East Bay and south coast district manager of the National Automobile Club of California.

## MARINE

### PPF Coinsurance Clause Successful

At least one company, not eager to write any volume of personal property floater business in New York City, inserted an 80% coinsurance clause in the policy it uses in the state. Little business was anticipated. Actually it has received quite a lot.

Agents like the coinsurance clause. This has been surprising to company officials. But the agents explain it this way. They believe that with such a clause the company will experience satisfactory underwriting results, and the business will continue to be written. Agents do not like to be faced with inability to get accommodations on a line, and they are willing for the insurer to adopt a practice that will avoid that possibility.

Also, with the clause in the policy, agents believe that their competitors will not be given advantages not



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granted them. As a clause in the policy, the 80% coinsurance is a fixed and not variable requirement. As long as they feel confident no other agent is getting a special advantage, they feel no necessity of pushing for it themselves.

### Brandt Has Seattle Office

W. B. Brandt & Co., marine and all-risk underwriters of San Francisco, have opened a northwest office in the White-Henry-Stuart building, Seattle, with James E. Moore as manager. He formerly was marine supervisor for Home at Seattle.

### Breakage Not Covered

In stating that Fire Assn. had been writing insurance on contact lenses for the past three years, THE NATIONAL UNDERWRITER mistakenly indicated that breakage is covered. This is not true unless the breakage is caused by fire, theft, wind, earthquake, flood, explosion, collision or transportation.

### Marine Course in Seattle

A course in inland marine insurance will be offered by the Seattle Blanket Club following the N.A.I.A. study outline. The speakers and dates are: Dec. 3, James E. Moore, W. B. Brandt

& Co.; Dec. 17, P. E. Jacoby, North America; Jan. 7, Tom Donegan, General of Seattle; Jan. 21, Kenneth Fleming, Fireman's Fund; Feb. 4, Morsman Condit, Talbot, Bird & Co.

### Motorists Mutual Loses

WASHINGTON—In No. 670, Motorists Mutual vs. Hendershot, the U. S. Supreme Court in a per curiam, granted Hendershot's motion to dismiss appeal from the Ohio supreme court, "for want of a substantial federal question." Particulars concerning this case were given in the Nov. 21 edition, page 11.

## A. & H. Claims Complaints Few

(CONTINUED FROM PAGE 23)

### Origin of Claim Complaints Only

Department's home state (Illinois and Michigan).....	507
Foreign states.....	134
1945 Ill. and Mich. premiums.....	\$79,700,000
1945 Ill. and Mich. losses.....	41,600,000
Number of 1945 Ill. and Mich. claims reported.....	736,420
Claims per complaint.....	1.223

### How Sold

Agent.....	324
Mail.....	147
Not indicated.....	306

### Nature of Claim Involved

Accidental death.....	24
Dismemberment or eye loss.....	3
Accident loss of time.....	115
Sickness loss of time.....	207
Hospital or medical.....	302
Other benefits or not indicated.....	61

### Type of Policy

Commercial or non-cancellable.....	111
Monthly.....	31
Weekly.....	24
Limited.....	144
Hospital.....	204
Group.....	6
Not indicated.....	101

### Licensed in Complainant's State

Yes.....	505
No.....	173
Not indicated.....	21

### Type of Claim Complaint

Misleading advertising.....	1
Agent misrepresented.....	1
Policyholder misunderstood coverage or claim procedure.....	354
Difference of opinion.....	240
Delay by company in handling.....	70
Other causes.....	61

### Reason Claim Declined

Over age.....	9
Lapsed.....	25
Late notice.....	12
No proof or incomplete proof.....	61
Pre-existing condition of health or breach of warranty by applicant in application.....	212
No coverage.....	135
Disease not common to both sexes.....	42
Not house-confined or bed-confined.....	17
Not totally disabled.....	12
Lack of required medical treatment.....	17
Not declined—delay.....	46
Not declined—paid in full under policy.....	61
Company's records incorrect.....	11
Settled under wrong policy provisions (lessor benefit).....	6
Other reasons or not indicated.....	114

### Disposition

Litigation.....	18
Complaint adjusted by payment in full or compromise.....	294
No further action required by company.....	454
Not indicated.....	19

### Was Complaint Justified?

Yes.....	175
No.....	527
Questionable.....	81
Not indicated.....	4
*Complaints other than claim complaints	
Disputes or complaints about return of premiums, delay in issuance of policies, lack of premium notices or premium receipts, etc.....	128
Inquiries—Questions about cancellation, non-renewal, riders, waivers, etc.....	52

### General Picture Good

The survey developed that in Michigan two companies were responsible for 45.8% of all the 1945 complaints and inquiries to the department, and in Illinois six companies were responsible for 68.6% of the complaints and inquiries. Even including the companies mentioned, the over-all average for all companies in the two states was one claim complaint for every 1,223 claims handled. This represents only 8.2 complaints to the departments out of each 10,000 claims, or in other words, 99.9% of all claims were handled by the accident and health companies without a complaint to the insurance departments.

In Michigan, no claim complaints were filed against 105 accident and health companies and only seven companies had over five each. The same picture was reflected by the Illinois survey. Of the 166 licensed companies writing accident and health coverage in Illinois, 111 had no claim complaints, an additional 44 had less than five, and only 11 companies had more than five.

In general, the report says, the surveys show that the fault lies not with policy forms, but with the management attitude of a very few companies.

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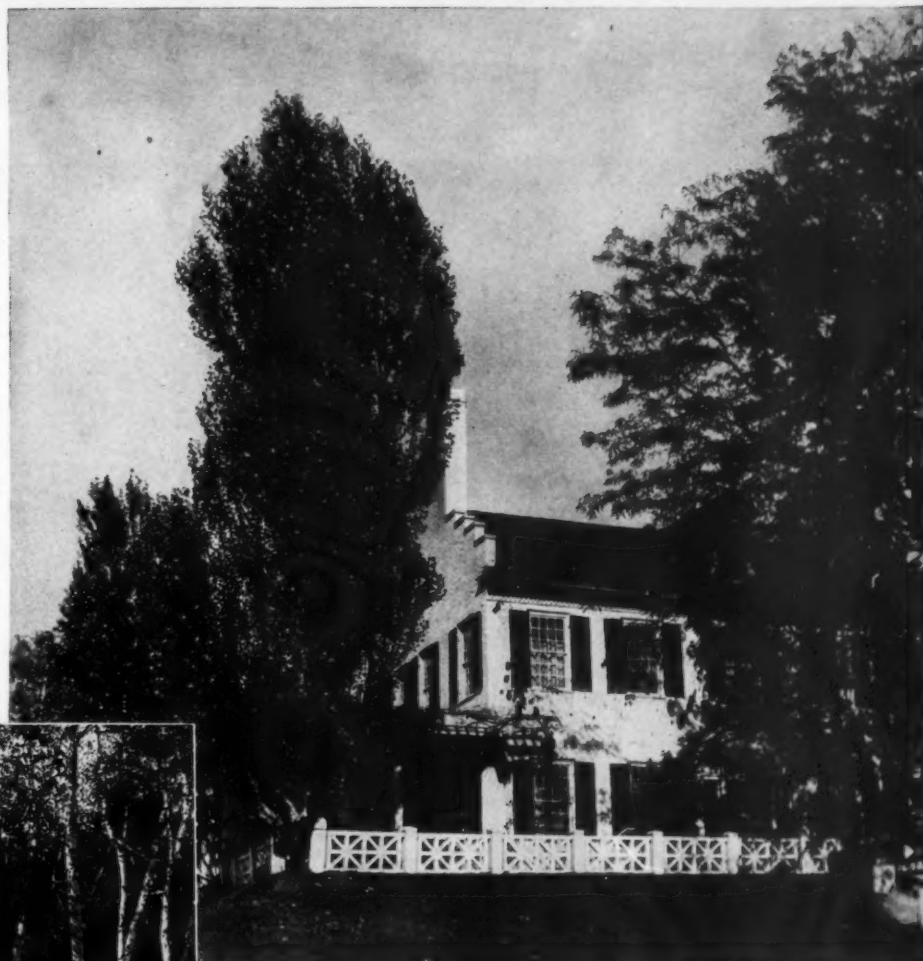
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# Huggin's Folly

WHEN Augustus Saint-Gaudens, America's outstanding sculptor, bought and remodelled the old tavern known as "Huggin's Folly" at Cornish, New Hampshire, he changed the name of his newly-acquired home to "Aspet" in remembrance of his ancestors who came from the village of that name in France. On the grounds of this estate, which was later to become a sanctuary for struggling artists, was an old barn which the sculptor used as



Saint-Gaudens' home overlooking the beautiful New Hampshire hills.



One of the sculptor's two studios on the grounds of "Aspet."

his studio and where his famous statue of General Sherman, which is considered one of the few great modern equestrian monuments, was completed. Now occupying a prominent place in New York's Central Park, this masterpiece won the sculptor the highest honors at the Paris exposition in 1900 and established him as the leader in his field.

Saint-Gaudens' extraordinary but all too brief career is a perfect example of the application of ambition and industry coupled with the opportunities that abound in this great nation. Born in Dublin of an Irish mother and a French father, who practiced the trade of a shoemaker, Augustus and his family sailed for Boston when the boy was only six months old. Soon after the family reached these shores, they were settled in New York and the

workroom was withdrawn from school and apprenticed to Avet, a stone-cameo cutter. Later, he worked with Jules Le Brethou, a distinguished shell-cameo cutter. While he

was thus learning the fundamental steps of his future work as a sculptor, he attended night school at Cooper Union and was an art student at the National Academy of Design where he specialized in portraiture. He progressed so rapidly in

his work that at the age of nineteen he went to Paris to study under the masters and to attend the Ecole des Beaux-Arts while supporting himself as a cameo-cutter.

At the outbreak of the Franco-Prussian War, Saint-Gaudens went to Rome where he began the model of his marble statue of Hiawatha. This seems to have been the turning-point of his career for he was thrown into contact with several influential people who were instrumental in securing contracts for him. In spite of these alliances, the pinnacle to which the sculptor aspired and eventually achieved, was beset with many disappointments and hardships. It has been written of him that there was never a more industrious artist, and certainly the list of his works would substantiate that remark.

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